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Andean Pact Foreign Ministers Sign Santa Cruz Declaration

PY2501005395 Madrid EFE in Spanish 0144 GMT 24 Jan 95

[FBIS Translated Text] Santa Cruz, Bolivia, 23 Jan (EFE)—Foreign ministers from Cartagena Agreement member countries announced today in Santa Cruz that the Andean Pact will promote the negotiation of a trade agreement with Mercosur (Common Market of the South) countries.

The Andean Pact or Cartagena Agreement, comprising Bolivia, Colombia, Ecuador, Peru, and Venezuela, established a deadline expiring 30 June to negotiate with Mercosur members. Mercosur comprises Argentina, Brazil, Paraguay, and Uruguay.

The Andean Pact foreign ministers today approved the "Santa Cruz Declaration" at the end of a one-day meeting held in Bolivia. This meeting was held to draft the agenda of the presidential summit scheduled to be held on 2 and 3 February in Cumana, Venezuela, on the occasion of the bicentennial anniversary of the birth of the Marshal of Ayacucho, Antonio Jose de Sucre.

In the "Santa Cruz Declaration" the Andean foreign ministers recommend that the presidents of their respective governments hold the seventh regular meeting of the Andean Presidential Council in Ecuador in September 1995.

They also agree to establish a top-ranking working group made up of Foreign Ministry representatives and trade officials. This working group will be in charge of drafting a proposal to implement an institutional reform of the Andean Pact, and it is supposed to hold its first meeting in Febuary.

They also resolved to recommend that Ecuador, in its capacity as Andean Pact pro tempore secretariat, sponsor a meeting with European Union foreign ministers within the framework of the Rio Group meeting to strengthen ties between the two markets.

The foreign ministers also expressed their satisfaction over "the positive results" achieved by the Cartagena Agreement, mainly regarding an increase in trade among member countries.

They stressed the importance of "redesigning a common strategy and modernizing institutional mechanisms to adapt them to new realities and challenges for achieving a hemispheric integration."

They believe it is necessary to establish decision-making mechanisms on labor and business issues within the Andean Pact and stressed the importance of "strongly promoting subregional cooperation" at all levels.

Lastly, they suggested that the Andean Pact presidents invite Panama to attend the Cumana summit, and invite it to become a permanent observer at the Andean Pact Council foreign ministerial meetings.

Panamanian Vice Foreign Minister Omar Jaen Suarez attended the Santa Cruz meeting in view of the fact that Panama was part of one of the countries liberated by Simon Bolivar and is therefore a participant of the Cumana summit.

Present at the Santa Cruz meeting were Bolivian Foreign Minister Antonio Aranibar, Colombian Foreign Minister Rodrigo Pardo Garcia-Pena, Ecuadoran Foreign Minister Galo Leoro Franco, Peruvian Foreign Minister Efrain Goldenberg, and Venezuelan Foreign Minister Angel Burelli.

Also present were Colombian Vice Trade Minister Mauricio Reina, Ecuadoran Industry Minister Jose Vicenete Maldonado, Peruvian Industry Minister Liliana Canale, and Venezuelan State Minister Alberto Poleto.

Present in addition were the presidents of the Andean Parliament, of the Cartagena Agreement Commission, of the Andean Development Corporation (CAF), of the Andean Court, of the Latin American Reserve Fund, of the Andean Business Council, and of the executive secretariats of the Andres Bello Agreement and the Hipolito Unahua Agreement, in addition to the Simon Bolivar Andean University rector.

The Andean Integration Agreement, better known as the Andean Pact and formally known as the Cartagena Agreement, was signed in Cartagena de Indias (Colombia) on 26 May 1969. It currently comprises Bolivia, Colombia, Ecuador, Peru and Venezuela.

Bolivia: 'No Intention' of Leaving Pact

PY2401175395 Madrid EFE in Spanish 2235 GMT 23 Jan 95

[FBIS Translated Text] Santa Cruz, Bolivia, 23 Jan (EFE)—Bolivian Foreign Ministry sources explained to EFE that Bolivia has no intention and cannot join the Common Market of the South (Mercosur). They added that Bolivia is interested in strengthening the Andean Pact and its presence in this regional integration organization.

This is the position the Bolivian Foreign Ministry upheld at the meeting of Andean Pact foreign ministers that was held today in Santa Cruz to draft the agenda of the Andean Pact presidential summit to be held on 2 and 3 February in Cumana (Venezuela).

The same sources added that Bolivia is only striving to strengthen and improve its commercial ties with Argentina, Brazil, and Chile through bilateral agreements on specific issues.

They added that Mercosur regulations do not allow the membership of a country that is a member of another integration mechanism, and Bolivia has no intention of

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leaving the Andean Pact (comprising Bolivia, Ecuador, Colombia, Peru and Venezuelan).

The sources informed EFE that, on the contrary, the Bolivian Government wants to promote the strengthening of the Cartagena Agreement through an institutional reform.

Proposal for Pact Reform Disclosed

PY2501014395 Madrid EFE in Spanish 2310 GMT 23 Jan 95

[FBIS Translated Text] Santa Cruz, 23 Jan (EFE)—The Andean Pact will study the implementation of an institutional reform on the basis of a report submitted today by former Bolivian Foreign Minister Carlos Iturralde during a meeting of foreign ministers of this regional integration organization.

The report submitted by Iturralde proposes integrating all the organizations that make up the institutional system of the Cartagena Accord into a single juridical body and giving this body a global content and projection rather than an exclusively economic one.

Iturralde was entrusted with the preparation of the report, with the financial aid and expertise of the Inter-American Development Bank (IDB), during the most recent Andean Pact presidential summit, held on 4 and 5 December 1991 in Cartagena de Indias (Colombia).

The Iturralde report, entitled "Institutional Revision of the Organizations of the Subregional System of Integration," will be presented three years after that summit meeting, during the meeting of presidents of the Andean Pact to be held in Cumana, Venezuela on 2 and 3 February 1995.

The most concrete reform in the proposal made by Iturralde is the replacement of the current executive organization of the Andean Pact known as Commission by an Andean Council of Ministers.

Iturralde's report also proposes "the strengthening of the subregional technical organization by redefining its internal structure, expanding its rights, concentrating its management in a single head, and replacing its name with the name General Secretariat."

The report also proposes "to incorporate into the rights of the Council of Ministers and of the new subregional technical organization the functions of the Hipolito Unahue and Simon Rodriguez Agreements."

According to Iturralde, "the chain of command and rights are clearly defined; therefore, the possibilities of conflict of jurisdiction are minimized" with the new system.

The report says: "Business and labor expand their participation in the process for the technical preparation of the proposals of the General Secretariat."

Iturralde also describes in his report the current situation of the Andean Pact as an organization inmersed in an institutional paralysis caused by political factors.

The report says that "because of political factors, the Andean Presidential Council has not met since 1991," while "the pact's foreign ministers held informal meetings only as a result of other international events."

The report adds: "The basic economic aspect of the Cartagena Accord led to the emergence of parallel agreements in the social area ... and as a result of the logic of the model implemented in 1969, the roles of other social participants such as businessmen were frozen in the development process."

According to Iturralde, "the composition of the Commission and the excessive concentration of power, in addition to the three heads on the Cartagena Accord Board, are the main institutional problems acknowledged by the Cartagena Accord."

The report also criticizes "the lack of coordination between the Andean Council of Foreign Ministers and the Commission" as well as "the financial restrictions on the organizations that depend on the contributions of the countries. This increases the accord's institutional weakness."

Chile-Mercosur Talks End With 'Positive Results'

PY2501102395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1711 GMT 24 Jan 95

[FBIS Translated Text] Montevideo, 24 Jan (AFP-NA)—Diplomatic sources have reported that Chilean and Common Market of the South (Mercosur) representatives today finished a round of negotiations aimed at strengthening their commercial links. The representatives said the meetings had "positive results."

"We have made progress on many aspects. We have defined areas where trade liberalization between Mercosur and Chile is possible without affecting the Common External Tariff (AEC)" established by Argentina, Brazil, Paraguay, and Uruguay, one of the participants in the talks said.

The Chilean delegation, comprised of Ambassador Augusto Bermudez, Manuel Valencia, Lee Word, and Jorge Kaufmann, met with Mercosur representatives for two days, seeking an agreement that would permit the establishment of a free trade zone between Chile and the commercial bloc.

"The issue is complicated because the Chilean economy is currently more open than Mercosur member countries' economies, but we think we have the basis for negotiating an agreement of the type 'four plus one' that will permit a more fluid trade exchange in the Southern Cone of the Americas," the sources said.

"There was an intense exchange of proposals and responses. Negotiations were not easy, but both sides have a great political will to solve the situation," the sources added.

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In principle, the talks sought to reach new economic complementary agreements between Mercosur and Chile because the agreements in effect within the framework of the Latin American Integration Association (ALADI) will mature on 30 June of this year.

Mercosur's juridical structure, which became operational on 1 January 1995 with the creation of a Free Trade Zone and an imperfect Customs Union between the four member countries, forced a renewal of the system of customs preferences that the bloc had with the other countries in the region.

"We are very close to achieving this understanding with Chile, which will be the first country with which Mercosur revises and renews its complementary economic agreements," the diplomats said.

Representatives also "defined guidelines for achieving closer commercial links with the Chileans in the near future without the need to become a member" of the new South American commercial bloc, the sources added.

Official figures show that trade between Chile and Mercosur grew by 14.2 percent between January and October 1994. Total trade for this period amounted to $2.721 billion, which "would increase even more after the complementary agreements are signed," the negotiators said.

The Argentine, Brazilian, Paraguayan, and Uruguayan delegates will start negotiating with Bolivia on 25 January, seeking to integrate that country into the new subregional tariff framework.

"The Bolivian case is different. We do not have too many technical difficulties with regard to reaching an understanding, but we will wait for the results of an Andean Pact meeting to definitively know whether we will negotiate with them country-to-country or seek an understanding at a 'bloc' level," the sources said.

Southern Cone Environmental Issues

PY2401154795

[FBIS Editorial Report] The following is a compilation of reports on environmental issues monitored through 11 January.

BOLIVIA

A Bolivian Environment and Development Forum study states that Bolivia loses between 100,000 and 200,000 square kilometers of tropical forests per year. The study notes that the main causes of forest depredation are the clearing of lands for cultivation and pasture, woodcutting for commercial purpose, mining and energy projects, and construction of infrastructure. It adds that before the industrial era Bolivian subtropical forests covered double their current area, and that 70 percent of the deforestation has occurred in the past 40 years. It notes that there is alarming deforestation in regions bordering Brazil, which are constantly being violated by Brazilian citizens in complicity with Bolivians. (Santa Cruz EL MUNDO in Spanish 9 Jan 95 p A18)

Peruvians trafficking in vicuna wool and hides have killed over 1,500 vicunas in the period ranging from 1989 to 1994 in Ulla Ulla National Park. This national park, which extends over 1,000 square kilometers, is located in Franz Tamayo, Bautista Saavedra, and Camacho Provinces in La Paz Department. Reports state that Peruvian hunters who enter the park secretly are indiscriminately killing the vicunas. Ulla Ulla National Park was declared a national reserve to protect approximately its 12,000 vicunas, which are in danger of extinction, as well as altiplano fauna and flora. Peruvian traffickers have reportedly eliminated 20 percent of the vicunas in the past five years. (La Paz PRESENCIA in Spanish 10 Dec 94 p 9)

Hugo Hurtado, chief of the Wildlife Department of the Forest Development Center, has reported that approximately 300 species of Bolivian fauna are in danger of extinction, due mainly to over exploitation, irrational use of land for obtaining food, international trade, and destruction of natural habitat. He said that animals in danger of extinction include vicuna, jaguar, condor, caiman, chinchilla, and swamp doe, among many others. (La Paz HOY in Spanish 11 Jan 95 National Section p 3)

BRAZIL

According to the Sao Paulo State Department for the Protection of Natural Resources, deforestation increased by 75 percent in Sao Paulo State during the Luiz Antonio Fleury administration. Between 1991 and September 1994 the Sao Paulo State government authorized the deforestation of 86,821 hectares of forest at various stages of growth, while the previous administration had authorized the deforestation of a total of 49,575 hectares. The annual average deforestation authorized by the current administration increased by 21,705 hectares, reaching almost double the annual average allowed by the previous administration. Authorized deforestation increased by 86 percent in the past two years under Environmental Secretary Edis Milare's administration. (Sao Paulo AGENCIA ESTADO in Portuguese 2155 GMT 2 Jan 95)

PERU

On 31 December Tigre District Mayor Pedro Grandes Aguilar reported that over 100 barrels of a highly corrosive oil byproduct spilled into the Tigre River as a result of a rupture in an Occidental Petroleum Company pipeline. The accident caused serious gastrointestinal infections to five children and other residents in the Loreto Province region. He stated that this spill could kill thousands of species of fauna and flora and cause irreversible ecological damage. (Lima LA REPUBLICA in Spanish 1 Jan 95 p 18)

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Cuba

Six Ministers Replaced in 'Broad Reorganization'

PA2401131095 Havana PRENSA LATINA in Spanish 1040 GMT 24 Jan 95

[FBIS Translated Text] Havana, 24 Jan (PL)—Six ministers, including two vice presidents of the cabinet and the president of the Banco Nacional de Cuba, were replaced today in a broad reorganization decided upon by the Cuban Council of State and proposed by the Communist Party of Cuba's [PCC] Politburo.

The information about the renewal of the ministries appears in today's GRANMA, the official PCC organ, in a box on page two under the title "Information to the People."

The two vice presidents who were replaced are Lionel Soto Prieto, whose duties will be passed on to other unspecified ministries, and Antonio Rodriguez Maurell, who was also the minister of economy and planning.

The latter leaves his post to Osvaldo Martinez Martinez, current director of the Center for Investigations on the World Economy and chairman of the Economic Affairs Commission of the National Assembly of the People's Government (parliament).

Hector Rodriguez Llompart, president of the Banco Nacional de Cuba, was replaced by Francisco Soberon Valdes, who was the president of Grupo Acemex.

The following are the new holders of the posts: Orlando Felipe Rodriguez Ronay, current first vice minister of the Transportation Ministry, replaces Jorge A. Fernandez Cuervo-Vinent as minister of the fishing industry.

Jesus Perez Othon, current first vice minister of the Basic Industries Ministry has been appointed minister of light industry, replacing Eddy Fernandez Boada.

Barbara Castillo Cuesta, first vice minister of the Light Industry Ministry, has been appointed domestic trade minister, replacing Manuel Vila Sosa.

Salvador Valdes Mesa, second secretary of the Cuban Workers Federation (CTC), has been appointed labor and social security minister, replacing Francisco Linares Calvo.

Wilfedo Lopez Rodriguez, currently second in command of the coordination and support staff of Commander in Chief Fidel Castro, replaces Jose A. Naranjo Morales as government minister [title as received].

More on Reorganization

FL2401132195 Havana Radio Progreso Network in Spanish 1200 GMT 24 Jan 95

[Report from GRANMA newspaper from the "First Thing" program]

[FBIS Translated Text] The Council of State, at the proposal of the Politburo of the Central Committee of the Communist Party of Cuba, has adopted the following accords:

To appoint comrade Osvaldo Martinez Martinez, currently director of the World Economy Research Center and president of the Economic Affairs Commission of the National Assembly of the People's Government, as minister of economy and planning; and dismiss [liberar] comrade Antonio Rodriguez Maurell from the posts of vice president of the Council of Ministers and minister of economy and planning;

To appoint comrade Orlando Felipe Rodriguez Romay, currently first vice minister of transportation, as fishing industry minister; and dismiss comrade Jorge A. Fernandez Cuervo-Vinent from that post;

To appoint comrade Francisco Soberon Valdez, currently president of the Acemex group, as president of the National Bank of Cuba; and dismiss comrade Hector Rodriguez Llompart from that post;

To appoint comrade Jesus Perez Othon, currently first vice minister of basic industry, as light industry minister; and dismiss comrade Eduardo Fernandez Boada from that post;

To appoint comrade Barbara Castillo Cuesta, currently first vice minister of light industry, as domestic trade minister; and dismiss comrade Manuel Vila Sosa from that post;

To appoint comrade Salvador Valdez Mesa, currently second secretary of the Cuban Workers Federation, as labor and social security minister, and dismiss comrade Francisco Linares Calvo from that post;

To appoint comrade Wilfredo Lopez Rodriguez, currently deputy chief of the Commander in Chief's Coordination and Support Staff, as government minister; and dismiss comrade Jose A. Naranjo Morales from that post;

To dismiss comrade Leonel Soto Prieto as vice president of the Council of Ministers, and reassign the duties he discharged to date to the appropriate ministers.

Pinar del Rio Workers Struggle To Save Tobacco

FL2501032895 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Jan 95

[Commentary by correspondent Fernando Davalos from the "NTV" newscast]

[FBIS Translated Text] Workers' mobilizations in Pinar del Rio and Havana are steaming along, as electricity workers would say, to restore the damages caused by recent rains. Pinar del Rio suffered especially in the tobacco sector, which is a first-class export, however,

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there was time to replant, and these mobilizations did just that. Also, work took place in Havana, but on a smaller scale.

I would like to reflect on the actions of Pinar del Rio and Havana, which respond first to a compromise: There are agreements with foreign businesses that financed the supplies needed for this campaign. It is right and enlightening to have such a response to save the harvest, which is akin to keeping our promise.

I point this out because the sugarcane sector will soon have—as was announced—financial contracts to guarantee materials for the 95-96 sugarcane harvest. Cuba will receive a loan to buy supplies, such as fertilizers, herbicides, and others. We need to see that these supplies are put to good use, and to store them for protection against heavy weather such as the recent rains in Pinar del Rio, Havana, and Guantanamo.

We will not talk about how many caballerias were lost, but rather, how much foreign currency is wasted, which is not ours, and needs to be paid off. Cuba needs our efforts to save the crops, but we also need to struggle to keep these commitments to foreign enterprises.

Artemisa Party Official Discusses Crime Reduction

FL2401205395 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] A year ago, in Artemisa Municipality, Havana Province, unscrupulous people from Pinar del Rio and Havana City were stealing over 30 percent of the annual food production of the miscellaneous crops enterprise. Correspondent Diosdado Maso speaks with Maximo Amador Prieto, the municipality's first secretary of the Communist Party of Cuba, about the efforts made to stop these crimes.

[Begin recording] [Amador] A year ago it was practically impossible to produce food here. However, due to the efforts of the members of the [Unified Vigilance and Protection] system, both in the municipality and at the miscellaneous crops enterprise, we can say that the pilfering of the plantain—the product most affected by pilferers in this municipality—has been reduced by 85 to 90 percent.

[Maso] Do you think that impounding these people's vehicles was effective? They were using their vehicles to steal these products?

[Amador] Yes, I can assure you that that was what worried them the most. From the beginning we had to apply the measure of impounding everything used during these robberies. We impounded approximately eight trucks, several vehicles—motorcycles, carts drawn by animals, and many bicycles. In less than six months, over 200 bicycles were impounded. That is what really scares people because it is their means of transportation and bicycles are expensive. For the last few months we have not had to impound anything—I mean trucks or other motor vehicles. However, we have impounded bicycles, but less than before.

[Maso] What is the crime-fighting situation in other spheres of the economy?

[Amador] We have expanded our struggle against crimes in the agricultural area to all sectors of the economy. We have primarily reduced livestock pilfering from the state's livestock. Stealing has been reduced by over 85 percent. That year that you visited us, over 365,000 chickens had been stolen. Fewer than 60,000 chickens have been stolen currently, and there is less pilfering of eggs. We have also worked very hard at the warehouses and at the educational centers. In general this year, common crime, which affects Cuba's economy, has been reduced, thanks to the offensive we have mounted in this territory. [end recording]

Article Touts Opportunities for Investors

PA2501012795 Havana PRENSA LATINA in Spanish 0734 GMT 23 Jan 95

["Exclusive" article by PRENSA LATINA contributor Gabriel Mejias: "Cuba: The Investment Boom"]

[FBIS Translated Text] Havana—The proliferation of joint ventures and foreign investment in Cuba, according to interested parties that have already set up shop, is not encouraged only by the weather or by the tropical landscape, but rather because of opportunities offered to investors.

A new investment law is in the works, and 1995 will offer even greater incentives for joint businesses in contrast to past years when Cuban authorities excluded or were suspicious of foreign participation in development projects.

The collapse of the Socialist bloc, which accounted for more than 85 percent of Cuba's trade, imposed new demands on the island. Cuba had to redirect trade and try to join an international market economy in order to survive and overcome the crisis sparked by the new international situation.

Except for health and education, all areas of the Cuban economy, including the sugar industry—the country's primary industry—have been opened to foreign investment, mostly through "joint ventures."

Among the trade organizations [mecanismos], the Association of Caribbean States (ACS) plays an important role, because for some companies it has served as a safe way to enter the country, which is a member of this organization. The ACS is considered the world's fourth largest regional economic bloc, and its aim is to promote trade among its 20 members.

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Among the newly "seduced" foreign concerns is the most important business consortium in the entire Caribbean—namely, the Neal and Massy firm. Its representative in Havana, Richard Wells, recently said, "the region's trading future will be decided in Cuba, which is the largest and most important market in the Antilles."

Moreover, large U.S. companies are poised to swarm into the Cuban market at the first opportunity. According to data from the Cuban-U.S. Economic and Trade Council, companies are drafting plans for making inroads into Cuba after Washington lifts its 32-year-old blockade.

Companies such as General Motors and Ford already have a list of Cuban-Americans who could serve as representatives on the island, and Carlson Co., which owns the Radisson chain, is planning to open several hotels here.

USA TODAY recently published statements by Carlson Vice President Peter Blyth saying he plans to convince Congress and the White House that the time is right to enter the Cuban market.

"There is a tremendous potential before us, and no one is in a better position to tap it than U.S. companies," Byth pointed out.

Various U.S. consortiums are worried about the ground already gained by competitors from other countries who have already obtained notable results.

Octavio Castilla, vice minister of foreign investment and economic cooperation, confirmed that 173 joint ventures have already been established, and, in the last weeks of 1994, the number of U.S. companies expressing interest in investing here increased from 69 to 90.

Many of these companies from the United States and from other countries have signed letters of intent to confirm their interest in a number of areas, ranging from law firms to petroleum.

The strategic sugar sector, which in the past had been sheltered by the authorities, also established associations with foreign investors in operations involving refineries, fertilizers, pesticides, and equipment for the sowing and harvesting of sugarcane. Through these operations, the industry expects to finance production and expand the international market for this sweet product.

Companies from Spain, Canada, Mexico, and Australia are the main investors on the largest island in the Antilles, but other nations have voiced their interest in joining the "investment boom."

Companies from Cuba and Australia have confirmed a comprehensive agreement for the mining of nickel. The agreement is estimated to be worth $500 million.

Cuba's Commercial Caribbean Nickel Corp. and Australia's Western Mining Corp. signed a letter of intent in September for the prospecting, exploration, and mining of Pinares de Nayari Oeste field in the eastern part of the island.

According to experts, minerals in this region can be strip-mined and there is a reserve of about 200 million tonnes.

In the petroleum sector, Cuban authorities have announced that a joint exploration project with the French consortium Geopetrol has begun extracting petroleum from a well located 75 km east of Havana.

This well yields about 800 barrels of fossil fuel every day, but 10 other foreign companies are exploring for oil in Cuba in seven areas [bloques] on the continental shelf and 11 on land. In all, there are 32 sites on land and sea which have been designated by the authorities for exploration under risk contracts.

Companies currently exploring for oil are CNW, Fortuna, API, and Fairmont of Canada; Premier and British Borneo of Great Britain; Total, Geopetrol, and OFD of France; and Tauros of Sweden.

The Cuban citrus industry, which the Soviets and Eastern Europeans helped develop, was saved by its new Chilean and Israeli partners, and, for the time being, its products are being sent to Mexico, Chile, Martinique, and Japan, among other countries, and specialists consider this to be good progress.

Meanwhile, tourism, which is one of the industries with enough potential to help Cuba overcome the crisis, has shown a promising future and dynamic progress.

Although the country currently faces one of the toughest challenges in its history—namely, to develop tourism, which is a highly competitive industry, under adverse economic conditions—this remains the most attractive industry to foreign capital, because about 30 associations have been established in this area.

Net revenues generated by tourism reached $800 million in 1994, and this large growth has been encouraged by the expedited implementation of an effective investment program.

Only six years ago the island had 5,000 hotel rooms for international tourism, but the current growth rate is about 4,000 new rooms each year.

Official sources predict that about 1 million tourists will visit this year—that is, more than a twofold increase over 1992, representing more than 6 percent of all vacationers who visit the Caribbean.

In a daily struggle to overcome the current adverse situation, Cuba is offering more incentives and reducing bureaucracy to heighten its appeal to foreign investors, who are making more and more advances toward Havana.

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Roundup of Economic Developments

PA2401234295

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 24 January.

According to a 20 January, Havana-datelined report, Fish Industry Minister Jorge Fernanez Cuervo has reported that production in the fishing industry rose significantly in 1994. He told the domestic media that records were set in the harvesting of frogs and shrimp, the latter surpassing by 22 percent the highest production level of previous years. In addition, Cuba increased its lobster exports by 35 percent. (Havana PRENSA LATINA in Spanish 0003 GMT 21 Jan 95)

According to a 21 January, Havana-datelined report, an important Canadian business group has officially established an office in Cuba and announced it is negotiating with the government to create a joint enterprise to produce goods for the domestic market. The Irving Group, one of the largest private companies in Canada, intends to establish the firm. This group produces wood pulp, newsprint, and cardboard products. It is also engaged in road transportation systems and shipyards. (Havana PRENSA LATINA in Spanish 0133 GMT 22 Jan 95)

Former U.S. Interests Section Chief Detained by Customs

FL2501024595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Jan 95

[From the "NTV" newscast]

[FBIS Translated Text] Wayne Smith, Washington's John Hopkins University professor, was detained four hours in Miami because he had traveled to Cuba. Customs authorities at Miami Airport said trips to Cuba are illegal. Smith, former chief of the U.S. Interests Section in Havana, was returning with six other academics from a scientific workshop organized by the University of Havana's Center for American Studies and Indiana State University. The workshop lasted three days and discussed several aspects of relations between the two countries.

[Begin Smith recording, in Spanish] We did not ask the Department of the Treasury for a license to travel to Cuba. We believe this would be a violation of our academic rights. It is unconstitutional, a violation of the First Amendment to the U.S. Constitution. [end recording]

Smith highlighted his decision to continue to challenge the travel restrictions, as he had done when he went to Havana to participate in the scientific meeting.

PRENSA LATINA On Detainment

PA2401225295 Havana PRENSA LATINA in Spanish 0157 GMT 24 Jan 95

["Former Diplomat Intercepted on Return From Havana"—PRENSA LATINA headline]

[FBIS Translated Text] Washington, 23 Jan (PL)—Wayne Smith, former chief of the U.S. Interests Section in Cuba, was detained for four hours today at Miami's airport in reprisal for having traveled to Cuba.

The pretext that Customs agents wielded for his detention is the travel prohibition the U.S. Government maintains against the largest of the Caribbean islands as part of a blockade that has been in effect for over 30 years.

Smith was returning to the United States with six other research academicians with whom he was in Cuba.

The former diplomat told the media that the prohibition to travel to Cuba violates the first amendment of the Constitution and that he is not obeying this measure for this reason.

He added he will continue visiting Havana until the Treasury Department decides to take him to court to legally and definitely clear this case.

It could be proven during the trial process that the measure is unconstitutional, and, therefore, the U.S. Government would be forced to revoke it. Smith had visited the Cuban Archipelago in December.

Another group of North Americans belonging to the organization Freedom to Travel, with headquarters in California, has also challenged Washington's determination to keep U.S. citizens from freely traveling to Cuba.

Mexican Foreign Minister Comments on U.S. Credit

FL2501001695 Havana Radio Reloj Network in Spanish 2032 GMT 24 Jan 95

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina took advantage of a short stop in Mexico on his way to Japan to meet with Mexican Foreign Minister Jose Angel Burria.

Burria informed Robaina of the current situation in Mexico and the measures being implemented by Ernesto Zedillo's government to restore finances. He also addressed the issue of the credit proposed by the United States to help the Mexican economy, and asserted that it will not affect Mexican sovereignty or independence in any way.

Robaina and Burria stressed the wish of Mexico and Cuba to strengthen the traditional, historic, friendly relations between their peoples and governments, which go back over three decades.

Alarcon Leaves New York for Havana

FL2501030295 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Jan 95

[From the "Exclusive" program]

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[FBIS Translated Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, departed for Havana from New York. Alarcon headed the official delegation from Cuba at the meeting with U.S. officials in New York on migration issues. In a news conference, Alarcon stated that is was evident that there had been progress in the fulfillment of the migration agreements signed by the two sides. Furthermore, he added that Washington is not in a condition, or at least does not presently wish to normalize bilateral relations, and does not wish to go beyond the migration issues.

Commentary Says GOP Congress 'Full of Hatred' Toward Cuba

PA2501022395 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Jan 95

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[FBIS Translated Text] Demands that Mexico break its ties with Cuba, Washington's refusal to discuss with Havana topics other than migration issues, and attempts to pass a second version of the so-called Torricelli law reflect renewed U.S. efforts to further impair relations with Cuba.

Some members of the U.S. Congress have demanded that President Clinton set a number of conditions for Mexico in return for approval of loan guarantees of about $40 billion. Among the conditions, proposed mainly by Republican legislators, is the demand that Mexico reduce or even suspend aid to Cuba. This is aimed at preventing Mexico and Cuba from negotiating agreements to develop investments on the island, some of which will contribute to repaying Havana's debt with its neighbor.

Cordial Mexican-Cuban relations, among others, are precisely what has prompted the ultra-right Cubans in the United States to lobby the U.S. Congress for a new version of the so-called Torricelli law. This law, promulgated in 1992, established a number of measures against third countries to prevent U.S. subsidiaries from trading with Cuba.

According to reports from Miami, the so-called National Cuban-American Foundation is currently urging the most conservative congressmen to support economic sanctions against businessmen investing in Cuba, including Mexicans.

All of this is related to the U.S. refusal to discuss with Cuba in New York City topics other than migration. The third round of talks on this matter between Cuba and the United States, which concluded recently, showed that Washington is still pursuing the same policy toward the island. This includes its refusal to analyze the origin of the bilateral conflict—namely, the economic blockade.

The revival of the anti-Cuban campaign that I have analyzed suggests a setback for those within the U.S. executive branch and Congress who had recently promoted a more prudent policy toward Cuba. Apparently, the ultra-conservative Republican majority emerging in full force after the congressional elections of November 1994 is full of hatred against what Cuba represents.

Commentary Charges U.S Influence on UN Security Council

FL2401173595 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Jan 95

[Commentary by Eduardo Dimas from the "Doing Radio" program]

[FBIS Translated Text] On 19 January 1995, after two long days of work and 40 speeches, the UN Security Council completed its debate over the addendum to the Agenda for Peace presented by UN Secretary General Butrus Butrus-Ghali. In the document, Ghali updates for the first time his views on the world situation since June 1992 when he created the controversial Agenda for Peace at the request of the Security Council. It was in this document that Ghali presented his views on preventive intervention, limited sovereignty, and states' rights to manage internal affairs, which does nothing more than express the changes in international politics after the fall of socialism and the new rules of the game that the winners of the cold war are trying to impose. These assumptions had first been announced by Javier Perez de Cuellar before, during and after the Gulf War in January 1991. It is evident that this war was the first manifestation of unipolarity. One nation, Iraq, was punished for invading another, Kuwait, with the approval or the abstention of the permanent members of the Security Council playing the role of a world government.

Actually, one of the criticisms made of the addendum is that the role of the UN General Assembly does not stand out, where all nations are represented; instead, it strengthens the role of the Security Council. The document, among other things, specifies the necessity to strengthen the UN's capability in every area, including international peace keeping and security, and the promotion of social and economic development. Another mistake is that it does not assign social and economic development the primary role as the best way to root out the basic causes of the majority of the conflicts—critical poverty, misery, and all their consequences. Another aspect under criticism is the emphasis put on the use of coercive and military methods to resolve conflicts, instead of using peaceful methods. Regarding the creation of a UN rapid response force, which was included in the agenda for peace at a cost of $1 billion annually, the addendum does not establish the circumstances under which such a force would be deployed, nor the bounds of its operations, which have been questioned by several delegations.

Finally, something noteworthy, although it should surprise no one, is that it ignores origin of states sovereignty

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and right to manage internal affairs, that is to say, the addendum, just like the Agenda for Peace, is based on the conception that the UN Security Council is a world government that can decide and act in the name of all, or even better, as we all know, in the name of the interests of the nations who were the victors of the cold war, headed by the United States.

To sum up, as you and I both believe, the addendum to the Agenda for Peace is an example of the scale of values that they seek to restore, not without success, on our planet, and a sign of the times in which we are living, where the third-world nations should be resolute in the belief that we have much to lose and very little to gain.

More Rafters Escape From Camps in Panama

PA2401235095 Havana Radio Havana Cuba in Spanish 0100 GMT 24 Jan 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Another eight Cuban rafters escaped on 22 January from one of the concentration camps set up by the United States near the banks of the Panama Canal. A news bulletin issued by the U.S. authorities in the Canal Zone reports one of the five Cuban rafters who escaped on 20 January was captured. The report adds 12 Cuban emigrants are still at large at this moment, the reason why the search is being continued. Panamanian authorities have been notified about the situation.

U.S. Southern Command forces have set up checkpoints on roads near the camps. They are also patrolling the area by land and air, operations which have been extended to Panama City, but only one of the escaped rafters has been captured.

The Panamanian Government has set March as the deadline for the United States to transfer the illegal Cuban emigrants, who were concentrated initially in the Guantanamo Naval Base in eastern Cuba, from the Panama Canal to other locations.

State Council Vice President Receives Panamanian Ambassador

FL2401173395 Havana Radio Reloj Network in Spanish 1507 GMT 24 Jan 95

[FBIS Translated Text] During a solemn ceremony, Juan Almeida Bosque, vice president of the Council of State, received the credentials of Rafael Antonio Moreno Saavedra as extraordinary and plenipotentiary ambassador of Panama in Cuba. After the ceremony and accompanied by his retinue, Moreno laid a wreath at the Jose Marti monument.

Russians To Participate in Investment Meeting

FL2501031095 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Jan 95

[From the "Exclusive" program]

[FBIS Translated Text] On 26 and 27 January, more than 100 Russian businessmen and bankers will participate in a meeting with Cuban officials to analyze the real investment prospects in our country. Vice Foreign Minister Isabel Allende heads the Cuban delegation. Jose Rosado Amador, one of the participants for the Cuban side, is director of the Eastern Europe and CIS Countries Department of the Ministry of Foreign Investment and Economic Cooperation.

[Begin Rosado recording] We are going to this meeting, which is a bit scientific and a bit practical, to express and illustrate our position, as well as possible, from the legislative point of view on foreign investments in our country, and to inform them on the current situation, the possibilities and business opportunities that we have and in which we might find common points for a business of mutual interest. [end recording]

As of 7 July 1993, an effort was made to revitalize economic cooperation between Cuba and Russia. In 1993, an agreement was reached for the granting of credits to our country so it might continue a series of important projects, a credit of $350 million. Another $30 million credit was granted to Cuba, destined for the interim preservation of the Juragua Nuclear Power Plant. At the moment, there is only one Cuban-Russian mixed enterprise, a small enterprise that produces candies and chocolates.

[Begin Rosado recording] I believe that we might be able to find some interests. I believe that will be the result of this meeting. We will learn more about their interests and they will learn more about Cuba. Undoubtedly, these elements might bring about the creation of mixed enterprises. It is a process in which we must work hard. [end recording]

The meeting will also discuss the regulations and judicial bases for foreign investments in Cuba and the possibilities of exploiting dozens of objectives built in Cuba with Soviet technology.

Two Asylum Seekers Voluntarily Abandon German Embassy

PA2401125295 Havana PRENSA LATINA in Spanish 2310 GMT 23 Jan 95

[FBIS Translated Text] Havana, 23 Jan (PL)—A source close to the local Foreign Ministry confirmed today in Havana that two of the six Cuban citizens who entered the German Embassy by force in an attempt to leave the country have decided to abandon that diplomatic mission.

On 13 June 1994, Gustavo Garabito Gomez and Alberto Gonzalez, together with 16 other Cubans, entered the German Embassy in this capital city by force in an effort to leave the island.

The Cubans involved in this incident decided to abandon the diplomatic mission voluntarily after realizing that their objective of obtaining diplomatic asylum and exit permits had been thwarted.

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The same official source indicated that four other persons remain inside the diplomatic offices.

Visiting Colombian Congressmen Meet With Ministers

PA2401223295 Havana PRENSA LATINA in Spanish 2343 GMT 23 Jan 95

[FBIS Translated Text] Havana, 23 Jan (PL)—A mission of visiting Colombian congressmen met with Cuban ministers today to reaffirm the interest of businessmen of the South American country to invest in the Antillean country.

The delegation, invited to visit by the National Assembly of the People's Government (parliament), is headed by Colombian Congress President Juan Guillermo Angel Mejia and consists of five other senators.

They were greeted during the afternoon by Ernesto Melendez, foreign investment and economic cooperation minister, who briefed them on existing laws regulating that activity in the Caribbean nation; that is, part of the country's development process.

Melendez said the two economies complement each other, and he spotlighted the progress achieved in identifying areas for cooperation in the economy, trade, and industry.

Meanwhile, Mejia voiced the legislators' desire to seek a way to strengthen already existing ties even more, adding there is great interest from the Colombian party to develop businesses ties and to cooperate with the process that is already under way.

The congressmen said the legislative branch should ratify soon an already signed agreement for the mutual promotion and protection of investments, as well as numerous agreements signed by the two countries last year.

Colombian Ambassador to Cuba Ricardo Santamaria, who accompanied the senators during their visit, recalled bilateral trade in 1994 reached more than $40 million, twice as much as in 1993.

The delegation met later with Foreign Trade Minister Ricardo Cabrisas to discuss the possibility of even greater levels of trade exchanges throughout 1995.

A group of important Colombian businessmen will travel to Cuba in March for this purpose after having identified, in principle, the sectors of their interest to promote trade and possible investments.

The mission also visited the Tourism Ministry where they received ample information about already existing projects and plans that could lead to further development according to authorities in this area.

Vice President Calls Talks With Colombia's Samper Positive

PA2501021895 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Jan 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Vice President Carlos Lage said in Havana today recent talks with Colombian President Ernesto Samper were quite positive for the two nations.

Lage returned to Cuba on 23 January accompanied by the president of the Colombian Congress, Juan Guillermo Angel Mejia, who has joined a delegation of Colombian congressmen that will remain in Cuba until 25 January.

The president of the Colombian Congress said that the Colombian congressmen's visit is a complement to Lage's recent visit to Colombia and the conversation the Cuban vice president held with Colombian authorities and businessmen. It was disclosed the Colombian congressmen visited the seat of the National Assembly of the People's Government of Cuba where they were met by the vice president of that body, Jaime Crombet, who explained to them the details of the island's electoral system and the operation of the Cuban legislative body.

Ambassador to Colombia Comments on Lage's Visit

PA2501001595 Havana Radio Havana Cuba in Spanish 0100 GMT 24 Jan 95

[Report by Mario Munoz from the "Evening Information Review" newscast—passages within quotation marks recorded]

[FBIS Translated Text] Radio Havana has contacted Jesus Martinez Beaton, the Cuban ambassador to Colombia, in Cartagena de Indias. Mr. Martinez Beaton gave details regarding the recent visit by Mr. Carlos Lage, vice president of Cuba's Council of State, who returned today from that country to Havana.

[Martinez] "Lage held a meeting with President Ernesto Samper in the city of Cartagena de Indias where they reviewed and assessed the current state of bilateral relations which are well developed. Topics related to trade and investment, as well as the advancement of political, commercial, cultural, and economic relations, were discussed. During the visit, he met with Vice President Humberto de la Calle, Foreign Minister Rodrigo Pardo Garcia Pena, and Government Minister Horacio Serpa and delivered to the San Pedro Alejandrina Bolivarian museum three works by Cuban painters. This was a very important and emotional part of the visit which was held in the city of Santa Marta. It was in fulfillment of a commitment made by our commander in chief when he visited here on 25 July of last year with the goal of incorporating works by Cuban painters who were not previously represented. The delegation that accompanied Carlos Lage included Pavelo, who is the creator of two of the works that were donated."

The Cuban diplomat also referred to future exchanges and visits by ranking Colombian officials to this capital.

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[Martinez] "During the visit, an invitation was extended to Colombian Vice President Humberto de la Calle for a reciprocal visit to take place during the first six months of this year. Also scheduled for the first half of this year is an exchange of ministers and directors of organizations, a continuation of exchanges which took place in 1994."

The Cuban ambassador to Colombia also discussed those sectors of most interest for cooperation and trade between the two countries.

[Martinez] "During 1994 a number of treaties were signed which deal with trade promotion. The list of goods on which tariffs are reduced was expanded to include approximately 1,000 products. Also, an investment treaty was signed. We can say that different types of bilateral trade were discussed. In 1995, given this favorable foundation, tourism will be promoted. In this regard, we have discussed construction material and products for the tourist industry. These products comprise raw materials for our industries, and Colombia has both a high quality and high level of production in such products. Basically, our talks involved general topics to be implemented in 1995."

Colombian Delegation To Tour Scientific Center

PA2501014895 Havana PRENSA LATINA in Spanish 0648 GMT 24 Jan 95

[FBIS Translated Text] Havana, 24 Jan (PL)—A delegation of Colombian legislators that is visiting Cuba and is headed by Juan Guillermo Angel Mejia, president of that country's parliament, will tour a scientific center and areas of Havana Province today, during the second day of their visit.

The agenda of the mission, which also consists of five other Colombian senators, includes a visit to the National Animal Health Center and a meeting with the municipal government of San Jose de las Lajas.

The congressmen will meet with Guillermo Garcia Frias, commander of the revolution and deputy, and will meet with Agriculture Ministry officials during a tour of the grounds of the international agricultural fair in this capital in the afternoon.

The mission was greeted yesterday at the National Assembly of the People's Government (parliament) by its acting president, Jaime Crombet, and its members also visited the Public Health Ministry.

They also met for an hour with Ernesto Melendez, foreign investment and economic cooperation minister, who gave them ample explanations on the current regulations regarding foreign investments in Cuba in response to the interest shown by the Colombian legislators.

Angel Mejias told PRENSA LATINA on that occasion that Cuban-Colombian relations are progressing at an accelerated rate, and he said the Congress of that South American nation is preparing to approve approximately 15 agreements signed last year by the two governments.

Meanwhile, Colombian Ambassador to Cuba Ricardo Santamaria has said talks in Cartagena de Indias between President Ernesto Samper and Cuban Vice President Carlos Lage have constituted a solid and friendly step in their bilateral relations.

The Colombian senators also met with Foreign Trade Minister Ricardo Cabrisas and analyzed the possibility of increasing an already growing trade exchange.

Finally, they visited the Tourism Ministry, where they discussed existing plans to continue promoting the flow of Colombian tourists to the island, which has reached levels that have even prompted the respective airlines to increase the frequency of flights.

Colombian Delegation Leader Notes 'Warmth'

FL2501025595 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Jan 95

[From the "Exclusive" program]

[FBIS Translated Text] The Colombian delegation visiting our country continued its program of activities, visiting several places of interest in Havana Province. Juan Guillermo Angel Mejia, president of the Colombian Congress and head of the delegation, expressed great satisfaction over the things achieved during their visit to Cuba, which was much more than standard protocol.

[Begin Angel recording] [Words indistinct] local leaders and friends. For us it was a day on which we were able to learn a great deal and feel the warmth of the people. [end recording]

The delegation also met with leaders of the Ministry of Agriculture during a visit to the Habana-95 Agricultural-Livestock fair. There they were able to see the various types of Cuban cattle. Tomorrow, the Colombian delegation will tour Matanzas Province with Basic Industry Minister Marcos Portal to visit tourism facilities and oil enterprises. The delegation will be in Cuba until 27 January to learn more about Cuba, which will strengthen their debates in Congress for the approval of the various agreements signed between Colombia and Cuba.

Robaina Meets With Mexican Counterpart En Route to Asia

PA2501013395 Havana PRENSA LATINA in Spanish 1631 GMT 24 Jan 95

[FBIS Translated Text] Mexico City, 24 Jan (PL)—Cuban Foreign Minister Roberto Robaina, en route to Japan, has taken advantage of a brief stopover in this city to hold a friendly and fruitful meeting with his Mexican counterpart, Jose Angel Gurria.

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The meeting at the Mexican Foreign Secretariat offices took place within a cordial and comfortable atmosphere that allowed the ministers to conduct ample exchanges on the reality of their two countries and bilateral relations.

Sources close to the delegation said Gurria explained in detail the current situation engendered by the Mexican peso's devaluation, and he also explained the measures the government of President Ernesto Zedillo has adopted to stabilize Mexico's finances and to maintain this nation's characteristic political balance.

He also commented on a loan guarantee plan the United States has proposed to help stabilize the Mexican economy, and he assured that this will in no way harm Mexico's sovereignty or independence, because this is a financial operation being conducted for the sake of not only Mexico, but the entire global financial system.

Meanwhile, Robaina detailed the situation in Cuba; the most recent measures adopted by the government to overcome the difficult economic situation confronting the island; and a tour, which he begins today, to six Asian countries—namely, Japan, the DPRK, Thailand, Nepal, China, and the Philippines.

The two foreign ministers reaffirmed the willingness of their respective governments to continue strengthening the traditional and historical friendly ties that exist between the two peoples and governments.

Robaina will arrive in Japan today to start a tour that is a continuation of another in March of last year—a tour that took him to Vietnam, Laos, Cambodia, Indonesia, Malaysia, India, and Myanmar [Burma].

In Tokyo, the Cuban minister will hold meetings with members of Japan's political, cultural, and private sectors.

More on Meeting

FL2401194695 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] Foreign Minister Roberto Robaina took advantage of a brief stop in Mexico on his way to Japan last night to hold a fruitful and friendly meeting with his Mexican counterpart, Jose Angel Burria. The meeting was held in a cordial and familiar atmosphere that allowed both ministers to freely discuss the current situations in their countries, and bilateral relations. Burria explained the current situation resulting from the fall of the Mexican peso in detail, as well as the steps the government is taking to stabilize finances, and maintain the political equilibrium characteristic of Mexico.

Robaina detailed the particulars of the Cuban situation, the latest steps the government has taken to overcome the difficult economic situation Cuba is going through, and the details of his tour that will begin today of six Asian nations that include Japan, the Democratic Peoples Republic of Korea, Thailand, Nepal, China, and the Philippines.

Robaina on Asian Trip, Future Plans

PA2501045195 Havana Radio Havana Cuba in Spanish 0000 GMT 24 Jan 95

[Report on interview with Cuban Foreign Relations Minister Roberto Robaina by Barbara Betancourt in Havana; date not given; from the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Relations Minister Roberto Robaina departed Monday [23 January] for Japan, his first stop on a tour that will include China, North Korea, Thailand, Nepal, and the Philippines. Robaina commented on the objectives of this trip—his second one to Asia in less than a year.

[Begin recording] [Robaina] The fact that we are beginning a new year does not mean that we will change the priorities of our foreign policy. I believe that the objectives of our trip through another part of Asia do not differ from the general objectives that drive our foreign policy. I would say it is to speak our mind and to learn about the world. Above all, it is to open new opportunities which will transform today's diplomacy into a diplomacy that serves the needs of our respective peoples.

For Cuba, this means the opening of economic sectors and to make it clear to the world that Cuba is not a country with needs. Rather, Cuba is a country with much to offer.

[Betancourt] Does Cuba have specific goals in any of the countries you will visit?

[Robaina] They all involve specific goals, and relationships may be established which, once they are established, may be broadened, leading to new opportunities. For example, it seems that our policy toward Japan and Thailand is very special. Specifically, in the case of Japan, we would like to note that—at such a difficult moment for the Japanese people—we would like to be there and to modestly ask in what way our country might contribute to that country's needs. In fact, this a special goal of the visit. Initially, it was not part of the reason, but now it has become an important priority.

Thailand represents a new opportunity. Concerning the special ties with North Korea and China, it seems to me that we are speaking of broadening existing ties there and of following a path which has already been mapped out. Nepal and the Philippines are also two countries with which, even though relations exist, we have not reached the level we desire in terms of economic relations.

[Betancourt] This is the second time you will be visiting China since you took office. Why?

[Robaina] First, because [words indistinct] speaking of the importance of our relations with that country. I believe it is very important to realize the fact that I will be in the region provides an opportunity for the Chinese and ourselves to hold a special meeting. I believe that, considering our relations are special, our meeting has to be special, and the meetings with [words indistinct] do not have to be as special

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as with other countries. I think what is exceptional about China is the certain participation [words indistinct] that we have in that area. Every time we meet, the relationship improves, not only in terms of trade, which for us is not the most important thing, but also in terms of understanding. Nevertheless, it seems we have many places to visit, to learn from, and to adapt to.

[Betancourt] Minister, in your last trip to China there was much talk about trade and economic opportunity. Now you are talking about the same objectives. Was anything firmly established with the Asian countries you first visited, and do you believe anything else will be achieved?

[Robaina] I think something will be achieved, especially considering that there is the possibility that the world will learn more about our opening to foreign investments. It is not only a legal opening, but also important areas have been opened and important opportunities have been offered. The world's businessmen are anticipating great opportunities. It is not a secret that Cuba is becoming a secure market, not only because of its infrastructure; human resources; and cultural, scientific, and technical achievements, but also because of its geographic location.

We have already established ties with part of the Orient. For example, I met here at the Foreign Ministry with an important group of businessmen from the Orient, whom I saw a short while ago in that distant part of the world. Still, more important is what is being accomplished in terms of trade. This indicates success.

[Betancourt] Will this year feature as many trips as last year?

[Robaina] It has to be a year of as many trips as last year, because I think that the activity has to be as intense. I think I can distinguish this year from previous years, which were more of a response to broader goals or ideas and involved long visits. Now there may be shorter trips with more definite objectives. Nevertheless, the offensive must continue in the best way possible and in the best areas because the country still has much to do.

No matter what, the world needs to know what we are doing in our country. I would note two things that will distinguish 1995. One will be the many visitors we will welcome, as you have seen already this year. The other will be trips to explain our situation to the outside world. Personally, I feel the year has begun quite well, not because of what I may have done or what I plan to do, but because Carlos Lage will be coming back from Colombia and will soon leave for an international conference. We also announced that [name indistinct] will be attending several important events on trade. We should also mention the fact that Ricardo Alarcon will be returning in a few hours. It has been said that this country's main advantage is the large number of foreign ministers it has.

[Betancourt] One last question, sir. How do you feel about being selected as Latin America's man of the year by CAMBIO 16 magazine?

[Robaina] The important thing is not that. I believe there is some sort of confusion here. I do not think it was Roberto Robaina who was selected as this personality, so to speak. I believe that personality was Cuba. About this, I am very pleased.

[Betancourt] Thank you very much, sir, and good luck on your trip.

[Robaina] Thank you. [end recording]

Barbados

Cuba Urged To Soften Stance on International Issues

FL2401185495 Bridgetown CANA in English 1642 GMT 24 Jan 95

[FBIS Transcribed Text] Bridgetown, Barbados, Jan. 24, CANA—Australia is urging Cuba to soften its stance on some international issues and to speed up political and economic reforms to enhance its chances for integration into the global economy.

Australian Foreign Minister Gareth Evans told CANA during a brief visit to Barbados Monday that he communicated these views to Cuban President Fidel Castro and other high-ranking Cuban officials during a trip to Havana last week.

"(While) the world has moved on the issues [words indistinct] disarmament and human rights (with the end of the Cold War), Cuba has tended to take some fairly extreme and fairly difficult positions," Evans said.

By speeding up reforms and shifting away from its "very strident" positions in the United Nations and other international fora, the Australian foreign minister said, Cuba also would be advancing its cause for more countries to support an end to the crippling three decades old U.S. economic embargo.

"It is very important that (Cuba does) not continue to give so much ammunition to its critics," Evans said, declaring Australia's support for an end to the embargo.

He said Cuban officials "listened carefully" to what he had to say, but he received no commitment that faster change would be forthcoming.

Senator Evans' visit to Havana was to explore opportunities for the further development of bilateral economic relations. He said the trip was "a great success" in this regard.

Evans said economic policy changes in recent years, represented "a pretty dramatic shift from the command economy approach" Cuba has adopted since the 1959 socialist revolution.

He praised the strides made by Cuba in education and health, saying these represented advances in human rights. But human rights also include civil and political rights, he added, and there was scope for improvement on both fronts.

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Haiti

Justice Minister Malbranche Reportedly Quits Post

PA2501002095 Madrid EFE in Spanish 2339 GMT 24 Jan 95

[FBIS Translated Text] Port-au-Prince, 24 Jan (EFE)—Haitian Justice Minister Ernst Malbranche has reportedly quit his post due to differences with President Jean-Bertrand Aristide over the removal of certain judges. His resignation has not been publicly announced, however, according to political sources.

A source who chose to remain anonymous has told EFE that Malbranche has turned in his resignation to Prime Minister Smarck Michel but that the government has not publicly announced it.

The same source has said Aristide wanted to remove most of the judges, an action to which Malbranche was opposed, citing the Haitian Constitution, which guarantees the permanence of the magistrates.

During a brief visit to Jeremie in Grande Anse Department on 22 January, Aristide appealed to the victims of the coup d'etat that deposed him in September 1991 to take their complaints to the courts. At the same time, demonstrators in Jeremie demanded the dismissal of Malbranche, whom they accuse of being an obstacle to judicial reform.

Deputies Resume Work Following Meeting With Aristide

FL2501003195 Port-au-Prince Signal FM Radio in Creole 1130 GMT 24 Jan 95

[Report by Daly Valet on 23 January—recorded]

[FBIS Translated Excerpt] The deputies are satisfied following their 20 January meeting with the president of the country, a meeting that began at 1500 and lasted nearly two hours. So on 23 January they resumed the budget work they discontinued on 18 January in response to a letter President Aristide had sent to Chamber of Deputies President Frantz Robert Monde last week.

The meeting between Aristide and the parliamentary delegation was deemed satisfactory. It seems that President Aristide told the parliamentarians that the reason he had used the expression, with all proper reserve, in the letter accompanying the law on increasing the number of ministries was that on 9 January, he had received a letter from Firmin Jean-Louis who informed him that the mandate of the 45th Legislature expired that very day. Those talks ended all conflicts between the executive and the Chamber of Deputies.

Today sessions resumed in Parliament and again President Aristide fulfilled the demands of the deputies who had asked him to include the electoral bill in the extraordinary session. Here is the content of the president's letter to Frantz Robert Monde: The electoral bill that was delivered to the Chamber of Deputies by Prime Minister Michel Smarck Michel, as well as the bill on increasing the number of ministries, were sent to you. I have the honor of asking you, Frantz Robert Monde, to include those laws—without prejudice to the examination and the vote—on the agenda of the extraordinary session that was inaugurated on 28 September 1994. That is it. Monde received the letter and today—immediately—an ad hoc commission was set up to work on the electoral bill. [passage omitted]

Commission Investigates 'Explosive' Artibonite Situation

FL2501010595 Port-au-Prince Radio Metropole in French 1700 GMT 19 Jan 95

[FBIS Translated Text] A five-member government commission has been set up to study the situation in some areas of the Artibonite Plain and Valley, a situation that the government has called explosive. This commission will also be in charge of making recommendations to the executive on adopting prompt measures to bring peace and security to the region. This government commission comprises representatives of the prime minister and the Ministries of Justice, Agriculture, the Interior, and National Defense, respectively.

Grand-Goave Barracks Robbed 20 Jan

FL2501013295 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Jan 95

[FBIS Translated Excerpt] The sacking of the Grand-Goave barracks is being talked about in Leogane. Armed individuals broke into the Grand-Goave barracks during the night of 20 to 21 January. They took several rifles including M-1's, ammunition, and a great deal of military equipment, including uniforms, according to Adjutant Jean Saint-Preux, commander of the subdistrict. Jean says he heard many gunshots during the robbery. Let us listen to the report of Evens Lefebvre from Leogane.

[Begin recording, in Creole] [Words indistinct] broke into the Grand-Goave barracks on the night of Friday, 20 January at about 0100. They took four M-1 rifles, 23 cartridges, four loaders, several military uniforms, and a radio cassette player. The bandits, who were driving a white Charade-brand car, entered the barracks, handcuffing and dosing Private Jean-Weber Aristide, who was on duty, with teargas. Adjutant Jean Saint-Preux, commander of the subdistrict, says he has already sent a report to his superior requesting security reinforcements in the area and an inquiry as to the perpetrations of such an action. [passage omitted] [end recording]

Police Academy To Open 31 Jan

FL2501021695 Port-au-Prince Radio Metropole in French 1700 GMT 19 Jan 95

[FBIS Translated Excerpt] The National Police Academy will open its doors on 31 January, as confirmed by the

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U.S. Embassy Information Service in Port-au-Prince. According to Stanley Schrager, the Embassy's spokesman, the first class should comprise 375 students.

[Begin reporter recording] U.S. spokesman Stanley Schrager announced the opening of the national police academy on 31 January. The first class will comprise 375 students. By the end of this year, more than 3,000 Haitian policemen will be well trained, with the mission of respecting the rights of Haitian citizens. Each class will last four months. This information is from an 18 January news conference. Stanley Schrager discussed the modes of registration in the new police force, or the police academy. [passage omitted]

Schrager also advised that the U.S. Coast Guard is about to complete the forced repatriation of Haitian refugees stationed at the Guantanamo base. However, the case of the 61 who are still detained will be the subject of deep analysis. The United States, the UN High Commission for Refugees, and some nongovernmental organizations are working on finding the parents of 349 unaccompanied youngsters who are still in Guantanamo. There are also 305 refugees being held back for health reason. They will be repatriated once their health has improved, added Schrager.

Regarding the demobilized military, the International Organization for Migration, OIM, has already offered assistance to the program inaugurated in November to reduce the Haitian Armed Forces. A total of 200 Haitian soldiers will benefit from a six-month training period. They will be trained in various fields, in luding mechanics, electricity, computer science, iron work, joinery, etc. At the beginning of February, OIM will provide additional assistance to the program of reducing the Haitian Armed Forces by integrating the demobilized soldiers into other programs. Most of the demobilized soldiers will be posted in the Ministry of Agriculture, Health, Public Works, and Communication.

It should be noted that Major General Georges Fisher assumed the command of the multinational force on 14 January. U.S. troops currently number around 7,000, 2,000 of whom are from the 25th Division. By the end of January, the number of soldiers will be reduced to 6,000, according to Maj. Reginald Largent, who was present at the news conference. [end recording]

Squatters Refuse To Stop Building in La Saline

FL2501032595 Port-au-Prince Radio Metropole in French 1700 GMT 24 Jan 95

[FBIS Translated Text] The squatters on La Saline Boulevard and near Fort Dimanche do not intend to give up the construction they began on lands they have now been occupying for a few weeks. Despite the injunctions of the Port-au-Prince mayor, anarchic structures rise on occupied public and private property. They named this area the Town of Democracy. Our reporter Guilloto Francois filed a report:

[Begin recording, in Creole] [Francois] Town of Democracy is the name the occupants have given the land in La Saline, land they have been occupying for three months. After weeding the land, drawing up plans, and placing stakes so each family can have a piece, the occupants took another step in their operation when they began building dozens of small houses. The Town of Democracy will house thousands of people within the next few days due to the numerous small houses that are being built. The presence of hundreds of people on the La Saline land indicates that despite the warning by Mayor Evans Paul that the occupants move off the land, the message will not be heard because they have begun to gather material to build their small houses.

[Unidentified speaker] Those houses are the houses of the people, meaning the houses of Aristide and the prime minister and everyone else, members of the government. Since we began building, the government must join us and help us finish. The land near Fort Dimanche is the land of the people and nothing will move the people off it. The people say live or die, so far as the land near Fort Dimanche is concerned. [end recording].

[Francois] According to many observers, the La Saline situation seems to be beyond the ability of the Port-au-Prince City Hall. Many people see danger in it. If it is true that the people who occupy the land are on the street, if the state does not do anything, the Town of Democracy will add to the shantytowns that are already too numerous in the capital. Furthermore, the anarchic building and the size of the houses, which are not solid, represent a danger because anytime it rains in Haiti, the town might collapse because the buildings are randomly built. In any case, the people building state that they are in no danger:

[Unidentified speaker] We are not afraid of the rain because we have a government that can channel the water.

[Francois] The government has been silent on the matter, except for Port-au-Prince City Hall, which has asked the occupants to leave the La Saline land. It is there that Mayor Evans Paul intends to build a museum. Which will rise on the La Saline land—the Town of Democracy or the museum that Mayor Paul wants? History will provide the answer. [end recording]

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Zedillo Notes Four Loan Guarantee Conditions

PA2501052395 Mexico City XEW Television Network in Spanish 0430 GMT 25 Jan 95

[From the "24 Hours" newscast—passages within slantlines recorded]

[FBIS Translated Text] President Ernesto Zedillo spoke at Los Pinos Presidential Residence three hours ago. In four points, he summarized the conditions of the loan guarantees intended to stabilize the Mexican financial and exchange markets:

[Zedillo] "First, we will not accept any commitment that undermines national sovereignty or the legitimate interests of Mexicans.

"Second, I reaffirm that Mexican Petroleum [Pemex] will not be privatized. [applause] The petroleum industry is strategic in nature, and Pemex has played and will continue to play a decisive role in national development. The nation's natural resources will not be transferred in any form or manner. They are the Mexican people's heritage both today and tomorrow, and they constitute essential support for the country's development.

"Third, we will not accept the renegotiation of the free trade agreement.

"Fourth—and in this I want to be clear and insistent—we will not modify our foreign trade policy, which will continue to respond exclusively to our principles, independence, and national interests. [applause]"

The president also called on Mexicans to unite, adding:

[Zedillo] "It is of questionable political ethics for anyone to claim for themselves, by manipulating the economic circumstances, the support the people did not give them at the polls. [applause]"

He also called on the political parties to present proposals to advance the strengthening of democracy.

[Zedillo] "The new Mexican democracy should stay away from an outdated centralism in decisions made by free and sovereign states united under a federal pact. It is extremely cynical to criticize centralism, while, at the same time, invoking it to engage in authoritarian acts, trying to obtain what could not be obtained through the exercise of democracy."

The Mexican president swore in the new board of directors of the National Association of Political Science and Public Administration headed by Mauricio Merino. Those attending the ceremony included Foreign Relations Secretary Manuel Gurria, Government Secretary Esteban Moctezuma, Comptroller General Norma Samaniego, and Public Education Secretary Miguel Limon. The event was held at the Adolfo Lopez Mateos Room at Los Pinos Presidential Residence; more than 500 people attended.

Parties Reject U.S. Conditions on Financial Assistance

PA2401153695 Madrid EFE in Spanish 0719 GMT 24 Jan 95

[FBIS Translated Text] Mexico City, 24 Jan (EFE)—The four political parties represented in the Mexican Congress have rejected any U.S. attempt to impose political conditions in exchange for a financial assistance package worth $40 billion to minimize the critical effects of the peso devaluation.

The deputies of the PRI [Institutional Revolutionary Party], PAN [National Action Party], PRD [Party of the Democratic Revolution] and PT [Labor Party] signed an accord to reject any plans to subject the credit guarantees package—under discussion by the U.S. Congress—to conditions considered by Mexico as detrimental to its sovereignty.

The legislators reiterated the need to maintain control over the national oil and banking sectors and currency, which are instruments of sovereignty in light of Mexico's vulnerability following the economic opening.

The Clinton administration has submitted to the U.S. Congress an initiative to grant $40 million in credit guarantees that will allow Mexico to obtain new resources to meet international payment commitments and overcome its financial situation.

The deputies' declaration was disclosed after Finance Secretary Guillermo Ortiz explained to legislators yesterday the purview of Mexico's negotiations with the U.S. Government and the measures to overcome the crisis.

Francisco Suarez Davila, representative of the PRI bloc and president of the Chamber of Deputies Finance Committee, emphasized his support for the economic measures adopted by the government of Ernesto Zedillo.

"We have confidence, and economic progress is contingent on political progress. Now we will have to add the nationalism that has always united us in light of any foreign intransigence," Suarez Davila stressed.

Suarez Davila remarked that the PRI deems it necessary to defend the security and the Mexican nature of the financial system and to create "safeguards regarding indebtedness." He added that to keep this situation from happening again, a limit must be stipulated on the amount of Tesobonos (Treasury Bonds) that can be issued as a percentage of the debt.

The PRI deputy proposed that the banking sector help contribute to solve the problem of overdue portfolios and recommended that financial authorities intervene in this very complex problem.

"It is necessary to tackle the financial emergency and adopt economic policies that will have immediate effects while mitigating the impact of the crisis on the weakest sectors and reviewing increases in salaries and prices," Suarez Davila pointed out.

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PAN Deputy Jose Antonio Garcia Villa stated that foreign financial support is vital to overcome the crisis, but the solution should be left up to Mexicans, not foreigners.

Garcia Villa stressed that foreign support can help generate confidence and stability in financial markets and avert major damage to the Mexican economy.

He recalled that there are people to blame for the current situation and pointed out that these people should have taken the necessary measures at the right time to prevent the crisis.

Appearing before the legislators, Ortiz defended the economic emergency plan imposed by the government.

Answering questions by the deputies, Ortiz stated: "We will not allow any strings to be attached to our oil resources, our laws, or our industry." He added that the government's commitment is to strengthen, guarantee, and defend national sovereignty.

Ortiz noted that the $40 billion assistance package Mexico is negotiating with the U.S. Government will only be used to guarantee the payment of new issues of public debt in dollars and to replace the Tesobonos in the hands of foreign investors.

Banxico Discloses Reduction in Circulation of Tesobonos

PA2401170495 Mexico City NOTIMEX in Spanish 1510 GMT 24 Jan 95

[FBIS Translated Text] Mexico city, 24 Jan (NOTIMEX)—The Bank of Mexico [Banxico] disclosed today that the withdrawal of Tesobonos (Treasury Bonds) for $1.5 billion helped reduce the circulation of these government instruments by $2.489 billion.

Last Friday Banxico offered to pay off credits early through the sale [entrega] of Tesobonos by banks and brokerages for up to $1.5 billion.

The offer drew requests for up to $1.429 billion, $155 million of which came from banks and $1.274 billion from brokerages.

Banxico said that in response to the first offer, Tesobonos for $1.060 billion were withdrawn from circulation, consequently, the two actions involve a total of $2.489 billion.

Labor Calls for Stricter Controls on Staple Items

PA2101154995 Mexico City XEW Television Network in Spanish 0340 GMT 20 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] During a meeting today of the Pact for Well-Being, Stability, and Growth, workers' union representatives asked the government to increase controls on staple item prices. They affirmed that many merchants and store owners are changing prices.

Spanish Bank Offers $500 Million in Direct Investments

PA2501044295 Madrid EFE in Spanish 0229 GMT 25 Jan 95

[FBIS Translated Text] Mexico City, 24 Jan (EEF)—Spain's Santander Bank has offered $500 million support in direct investments to contribute to the solution of the economic crisis Mexico has experienced since late December 1994.

Emilio Botin, chairman of the Administration Council of the Santander Bank, who is making a three-day visit to Mexico, today announced a project for $40 million with one of the most important industrial companies in the northern city of Monterrey.

Botin was received by President Ernesto Zedillo in a private meeting. Botin confirmed following the meeting that the bank's investment plans will continue as well as the interest to discuss new business opportunities.

The Santander Bank became the first international financial group to initiate operations in Mexico after the government of this country opened the doors of the Mexican money markets to foreign financial institutions.

The Spanish bank has offered competitive credits to various Mexican companies such as Televisa, Cemex, Vitro, Telmex, and others, and their operations total $111 million in the four branches it has in various Mexican cities.

Following the meeting with President Zedillo, Botin said that he believes there is a great awareness of the problems and their solutions, even though the Mexican financial situation is difficult, and that the proper measures are being taken.

Botin reiterated his interest in working with Mexican companies on long-term projects and added that operations in the Mexican market "demonstrate his confidence in the strength and dynamics of the Mexican economy."

The president of the Santander Bank said the bank is in a good position to take advantage of business opportunities in Mexico, because it came at a good moment and has not been adversely affected by the latest events stemming from the devaluation of the peso.

According to Botin, the bank's presence in this country has always been considered strategic, and "just as it was the first to initiate operations in the framework of NAFTA, it will remain first in financial services with a long-term vision and will continue with its investment plans."

The Santander Bank is participating in the aid package Mexico is negotiating with several international banks, but its participation will be even greater, Botin said.

"We buy government bonds every week and conduct operations with Mexican companies. By doing so, we are funneling much more resources than those channeled through our participation in the economic package," Botin said.

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Santander Bank began its operations in Mexico last 25 November, and its president said he is proud of being the first international financial institution to open its doors in this country.

Senate Announces Austerity Measures

PA2101155095 Mexico City XEW Television Network in Spanish 0340 GMT 20 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Senate today announced austerity measures to help Mexico's economic crisis. Construction of the new senate building was suspended, expenses were restricted, contracts were limited, and the number of senators attending events abroad was reduced.

Governor Signs Contract for Chiapas Fund Trusteeship

PA2001220695 Mexico City NOTIMEX in Spanish 1935 GMT 19 Jan 95

[FBIS Translated Text] Mexico City, 19 Jan (NOTIMEX)—Governor Eduardo Robledo Rincon said today that social reforms in southeastern Chiapas State must be aimed at meeting the most urgent needs of peasants and the Indian community.

After signing the contract for the Chiapas Fund Trusteeship, he noted that 47 percent of the state's population is scattered among 16,000 villages with less than 1,000 residents each, a situation which "reflects inequality and requires social reform."

Robledo Rincon, who took office last 8 December, told NOTIMEX that social reform must meet urgent needs and provide peasants and Indians with five essential conditions: employment, health, education, dignity, and respect.

The governor affirmed it will be possible to have peace with justice and dignity in Chiapas through the social reform, which includes those five points.

The Chiapas Fund Trusteeship was signed Wednesday in the presence of local businessmen. The objective of the Fund is to create sources for employment and progress for the state.

Robledo Rincon affirmed that the Chiapas Fund does not just constitute an effort to achieve peace but also an effort to have peace with jobs, production, and productivity.

"Reconciliation in Chiapas is the path to peace, and in order for it to be lasting, we need reconciliation in the midst of so many differences and disagreements," he said, referring to the possibility of joining efforts to solve poverty.

"Chiapas is in last place politically and in terms of the country's economic development, but today we have an opportunity for this state. A crisis always has risks and opportunities, and we now have ours," he stated.

The governor noted that "this year he were taught a lesson (the armed uprising), and we must learn from it and act in a profound manner. The time for Chiapas to achieve a social victory has come."

Robledo Rincon also reiterated his proposal—made during the political campaign—to establish a new social pact "to put ourselves at the political vanguard of development and democratic change."

He again stressed he would be willing to step down if that is the condition demanded by the Zapatist National Liberation Army, which arose on 1 January 1994 to defend Indians' demands, for laying down its weapons for good.

The governor recalled that when he took office, different sectors were betting on violence in the state, "but on 21 August the Chiapas people chose peace. I am only interpreting their sentiments, and that is why I made the proposal to the armed group." Robledo Rincon said: "I have given my word because the hopes of the Chiapas people who want peace are involved."

In assessing his 50 days in office, he acknowledged that it is possible to rescue the value of politics and "to find a path that will lead us to develop and build a common house in Chiapas, as well as to find a meaningful response to its diverse problems."

Tabasco Governor Comments on Unrest in Villahermosa

PA2101014995 Mexico City XEW Television Network in Spanish 0430 GMT 20 Jan 95

[Telephone interview with Tabasco Governor Roberto Madrazo Pintado by anchorman Jacobo Zabludovsky during the "24 Hours" newscast; Madrazo's location not given—live]

[FBIS Translated Text] [Zabludovsky] Good evening, Mr. Governor.

[Madrazo] Good evening, Mr. Zabludovsky.

[Zabludovsky] Mr. Governor, can you please give us a brief recapitulation of what has been happening tonight in Villahermosa?

[Madrazo] Of course, Mr. Zabludovsky. Representatives of various political parties made statements in support of dialogue following the publication of a document issued by the Government Secretariat asking state authorities and political forces to find options leading to dialogue to resolve the Tabasco issue. At that point, the political parties expressed their intention to accept the dialogue invitation. Naturally the state governor urged society in general to place Tabasco's interests over and above personal interests to find, through dialogue, the solution that all Tabasco residents are eagerly seeking after 19 days of postelectoral conflicts.

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[Zabludovsky] Mr. Governor, your conciliatory tone seems to contradict the images we are seeing of the events that occurred tonight in Villahermosa.

[Madrazo] That is correct.

[Zabludovsky] How is that?

[Madrazo] Mr. Zabludovsky, we have always said the law should prevail, and these are very complex times in the state's political life. We cannot allow anyone or anything to be above the law. Unfortunately, this afternoon some groups were still willing to encourage intolerance as a mechanism for supplanting a democratic decision. Fortunately, emotions have somehow been calmed, and the parties agreed that the political struggle will be in accordance with the law. I am convinced that through dialogue we will forge ahead.

[Zabludovsky] Mr. Governor, how did the rumor get started that you were preparing to request a leave of absence?

[Madrazo] Several days ago, some members of the Party of the Democratic Revolution [PRD] said that as a result of the signing of the national agreement, the state governor would be requesting a leave of absence. This afternoon the Government Secretariat itself denied those statements and clarified that they had been based on mere rumors. The Government Secretariat also explained that the rumors led to mobilizations that ensued in confrontations, as we have all witnessed through the images broadcast by your program. We believe that in Tabasco, political activism should abide completely with the will of the majority. In addition, proposals should control emotions so that we may forge ahead during these difficult times for the state.

[Zabludovsky] So what you are trying to say, Mr. Governor, is that the Los Pinos agreement in no way influenced what happened in Villahermosa. Nevertheless, has Chiapas somehow influenced events in the state?

[Madrazo] We are in a region which is in itself very complex. All Tabasco residents would like to erect a wall against the sort of violence that has broken out in neighboring Chiapas. We believe that an important aspect of the national agreement signed a few days ago is precisely to find solutions to all postelectoral conflicts and ensure absolute transparency in the legal framework which regulates election processes. Thus we will avoid the situations that have been created recently in several states. We believe that Chiapas, despite having problems somewhat different from those of Tabasco, is a state we should all study to avoid falling into the unfortunate situations that have developed in some of its municipalities. We in Tabasco are determined to run a state government that will provide assurance, confidence, and security, as well as the new prosperity we all seek.

[Zabludovsky] Mr. Governor, were you in any way pressured by any authority to request a leave of absence?

[Madrazo] In no way whatsoever. The federal government has been very respectful. I have spoken exhaustively with the government secretary and was able to voice the concerns we in Tabasco share with respect to the Chiapas conflict and the regional situation our state is experiencing. We are all aware that at this time we must remain calm so everything can proceed within the law.

[Zabludovsky] Mr. Governor, would you like to add anything?

[Madrazo] I believe, Mr. Zabludovsky, that during this phase Mexico is going through, it is very important that the law be respected at all times. There is no other way to lead a pluralistic society such as our state. Therefore, state sovereignty must be respected at all times so we may advance democratically, as Mexico is determined to do, and just as Tabasco residents are now demanding.

[Zabludovsky] Thank you very much, Mr. Governor.

[Madrazo] Thank you very much for this opportunity.

PRI, PRD Prepare for Talks in Tabasco

PA2101232695 Mexico City Radio ACIR Network in Spanish 0000 GMT 21 Jan 95

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] [Anchorman Jose Cardenas] Things are gradually returning to normal in Tabasco State following the rebellion of Institutional Revolutionary Party [PRI] members over the last 72 hours. Businesses are opening their doors, and classes are resuming in a calm climate. People expect the PRI and PRD [Party of the Democratic Revolution] to begin holding talks immediately to find a solution to the postelectoral conflicts, which have hurt civilians and the economy of this large southeastern state. Ruth Lopez Betanzos, our correspondent in Tabasco, has a report from Villahermosa. How are you, Ruth? Good afternoon.

[Lopez] Good afternoon, Pepe and listeners. In response to the proposal presented by the Government Secretariat on 19 January, and with the approval of Governor Roberto Madrazo Pintado and Andres Lopez Obrador, former PRD gubernatorial candidate, the preparatory work for talks leading to a Tabasco political agreement has begun. Dr. Luis Felipe Aguilar Villanueva, deputy political development secretary of the Government Secretariat, will determine the issues to be discussed, taking into account the feelings and aspirations of all Tabasco people, according to a communique issued by the government.

The talks are expected to begin on 21 January. The directorate of the Aztec Sun Party is currently meeting. State government reports indicate that the meeting between seven PRI members and seven PRD members, headed by Governor Madrazo and Lopez Obrador, respectively, may be held in Teapa Municipality, Tabasco. Deputy Government Secretary Villanueva may attend the meeting as well.

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The seven issues to be discussed are as follows: electoral reform, strengthening the political party system, reinforcing legal assistance, guaranteeing the division of powers, forging a new federalism, creating new forms of communication with the media, and consolidating the citizenization of politics [ciudadanizacion de la politica]. We could add Lopez Obrado's petition to revise the previous elections and its results. That is the information I have, Pepe.

[Cardenas] That is the situation so far. Can we assume there are no more roadblocks?

[Lopez] That is right, Pepe. As you said at the beginning of this report, everything has returned to normal here in Villahermosa. There has only been one incident at the Villahermosa airport, and it is unrelated to the state's political problems. The landing gear of a Boeing 737 cargo plane, registration number XA55, broke as it landed at the airport. This incident, as well as the bad weather in Tabasco, prompted the cancellation of all flights.

[Cardenas] I appreciate your information, Ruth. Good afternoon.

[Lopez] Good afternoon.

[Cardenas] We have another report from Villahermosa, Tabasco. Federal Highway Police stated that troops in Villahermosa reported that at 2100 on 19 January, protesters lifted the roadblocks at the main roads leading to Villahermosa, the capital of Tabasco, in El Centro Municipality. The roads are from Teapa, Macuspana, Escarcega, Cardenas, and Frontera. In addition, educational institutions such as the Tabasco Autonomous University and public and private elementary schools have resumed classes. In addition, the three refineries that had ceased distributing fuel are working. The fuel shortage has ended in Tabasco. The city's restaurants and shopping centers, including those that closed on 19 January to support constitutional Governor Madrazo, are open.

The Tabasco Finance Secretariat decided to enforce the dry law until further notice to prevent incidents associated with the consumption of alcoholic beverages. This measure applies to all bars and clubs in Tabasco State. In the first few minutes of 20 January, the federal transportation system resumed its normal schedule as soon as the main roads leading to the Tabasco capital were reopened.

Cesar Fernandez Diaz, head of the Tabasco Regional Cattlemen's Union, said on 20 January that the supply of meat to Mexico City and other states has resumed. The Plaza de Armas and public buildings were cleaned and refurbished following the violence on 19 January. Finally, Governor Madrazo is already at the Government Palace in Villahermosa.

PRD Members Occupy Mayor's Office in Chiapas To Protest Murder

PA2401201395 Paris AFP in Spanish 1858 GMT 24 Jan 95

[FBIS Translated Text] Tuxtla Gutierrez, Mexico, 24 Jan (AFP)—Approximately 1,500 members of the Party of the Democratic Revolution (PRD, center-left) occupied the mayor's office of Estacion Juarez Municipality in Chiapas to protest the murder of Francisco Uribe, supposedly killed by municipal police.

PRD state leader Jorge Moscoso reported that the protesters are demanding the removal of Mayor Fernando Ramos for "incompetence and negligence during his administration." They are also demanding "efficient" public services and an all-out renovation of the police force.

Moscoso also charged that on 21 January the police tried to arrest Uribe, who resisted and was shot once in the head. His body was only turned over to relatives after the murderer had escaped.

Estacion Juarez is a small municipality close to Tabasco State and only a few kilometers from the city of Teapa, where the PRD and Institutional Revolutionary Party (PRI, 65 years in power) are currently negotiating a solution to the postelectoral conflict.

The people occupying the mayor's office are apparently also detaining seven municipal workers and have announced that they will not leave the building until their demands have been met.

In addition to the mayor, they also charge the municipal police director with Uribe's murder and several other murders that have taken place in recent months.

PRI, PRD Followers Clash in Tabasco State

PA2501022095 Mexico City Radio ACIR Network in Spanish 0000 GMT 25 Jan 95

[Report by Ruth Lopez Betanzos from the "Evening News Panorama" newscast]

[FBIS Translated Text] There is talk today of clashes between PRI [Institutional Revolutionary Party] and PRD [Party of the Democratic Revolution] followers in Indian communities in the state of Tabasco despite calls for peace.

(Nicolas Jabas Lopez), PRI president in Tabasco, said PRD supporters raided the homes of PRI followers and injured them. This has happened in the communities of Buena Vista and (San Jose de las Sabanas), Centro Municipality.

We have statements by (Nicolas Jabas Lopez):

[Begin recording] [(Jabas)] There are injured people. They went there to make demands. We are talking about poor people. I am taking advantage of this opportunity to talk about the class struggle promoted by Manuel Lopez Obrador. That is a matter that has always led to violence everywhere it has been promoted.

[Unidentified reporter] Why are you blamed for [words indistinct]?

[(Jabas)] That statement is not true; that statement is totally false. [end recording]

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That is what the Tabasco PRI president said.

More than 35 PRD followers who were kept in the Villahermosa penitentiary were released. One more will be released tomorrow. His name is (Manuel Espina Ramirez), coordinator of the PRD followers who blocked oil installations recently.

There is a peace march scheduled to be held in Villahermosa tomorrow. In addition, the PRD invited followers to a demonstration in a Villahermosa park.

Zapatist Leaders Explain Stumbling Blocks to Peace Talks

MS2101095595 London THE GUARDIAN in English 21 Jan 95 p 12

[Report by Philip Gunson, incorporating interviews with two named Zapatista guerrilla leaders: "Zapatistas Insist on Army Pullout"]

[FBIS Transcribed Text] Guadalupe Tepeyac—Zapatista guerrilla leaders in the southern Mexican state of Chiapas say the government is not fulfilling its side of the agreement reached in talks last Sunday and that the police as well as the army, must withdraw before another round of talks can be considered.

In the first interview since their unprecedented jungle meeting last Sunday with Esteban Moctezuma, the interior minister, two of the three commanders of the rebel Zapatist National Liberation Army (EZLN) present said they believed in the "good intentions" of Mexico's president, Ernesto Zedillo, but were not convinced he was in control of the army.

Their comments contrast with the optimism among members of the National Mediation Commission (Conai), led by Bishop Samuel Ruiz, which has indicated that a second meeting might be imminent.

"As soon as we saw that the federales (army) were withdrawing we received the order to withdraw our forces, so I began to pull back the troops I had moved forward," one of the commanders, known as Major Moises, said. "But in the afternoon we realised that they had put judiciales (police) in their place, so I had to move my troops back."

Seated on a log amid coffee bushes and banana trees a short distance from their headquarters, Maj. Moises and another commander, known as Comandante Tacho, wore the customary black balaclavas of the EZLN, and each cradled an automatic weapon.

The two men said that Subcomandante Marcos, the guerrillas' main spokesman—who headed the delegation—was carrying out orders elsewhere.

Maj. Moises said the withdrawal of all security forces was necessary, "so that our comrades who are in the mountains can return to their communities".

On December 19 the EZLN staged a bloodless occupation of 38 towns and villages outside the army cordon to protest against the inauguration of Eduardo Robledo [as published] as governor of Chiapas.

Mr. Robledo's resignation as governor and his replacement by someone acceptable to "civil society" remains a precondition for a second meeting.

Both Mr. Robledo and the governor of the neighbouring State of Tabasco, Roberto Madrazo, have been under strong pressure from opposition groups to resign because of alleged fraud in elections in August. A political accord, signed on Tuesday by the ruling Institutional Revolutionary Party (PRI) and three opposition parties, hints at their replacement.

On Thursday, PRI activists in Tabasco violently ejected members of the opposition Party of the Democratic Revolution (PRD) from government offices in Villahermosa, the state capital, which they had been occupying for three weeks.

PRI members seized an airport, a radio station and roads after rumours that Mr. Zedillo and party bosses were negotiating Mr. Madrazo's resignation.

The incident, along with remarks supportive of Mr. Madrazo by national PRI leaders, suggests the post-electoral crisis in southeast Mexico may not be resolved easily.

The EZLN leaders said that even when the preconditions for more talks had been met, it would still be necessary for compliance with the truce to be "verified", possibly by Conai.

Once discussion began, "we have decided that it should not be like that in San Cristobal (last February)" they declared. An offer made by a government negotiator was rejected by the guerrillas' supporters in June.

That was because "Carlos Salinas (then president) did not act in good faith," they said.

They felt the fact that Mr. Zedillo had sent "his personal representative", Mr. Moctezuma, was a sign of good intentions. But Maj. Moises warned: "Mr. Zedillo is in a very grave situation; if he doesn't think deeply about how to resolve these problems he will go the same way as Salinas. Already he is breaking his promises."

Asked about reports of armed groups elsewhere in Mexico, he said: "The EZLN is a national organisation. We cannot say how many groups there are or in what states. But some (of them) we know about and they have decided to follow the orders of the EZLN command."

Although it is difficult to substantiate these claims, the Zapatists' determination, and the complexity of President Zedillo's task, are not in doubt.

Roundup of Economic Developments

PA2401125695

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 23 January.

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In less than 15 days, the economic outlook of Veracruz State has become bleak. The price of port operations increased by 30 percent and so did the price of garments, shoes, medicines, fruits and legumes; the housing sector is at a standstill; the Office of the Federal Attorney for Consumers, Profeco, has fined 300 businesses; the demand for credit grew 50 percent in pawnshops, while the National Chamber of Commerce has threatened to take to the streets to make its sales if the mayor's office does not exert control over street vendors. (Mexico City LA JORNADA in Spanish 16 Jan 95 p 40)

During 1994, Mexican Petroleum, Pemex, earned profits for over $4 billion new pesos as it placed 5.5242 billion tons of petrochemical products in the national market. (Mexico City UNOMASUNO in Spanish 16 Jan 95 p 3)

The expansion of the Korean company Daewoo, established in San Luis Rio Colorado, Sonora, will involve an investment of $130 million and the creation of 4,000 jobs, in addition to another $150 million in investments in the country. (Mexico City UNOMASUNO in Spanish 17 Jan 95 p 2)

According to Pemex figures, the surplus of the trade balance of petrochemical products registered by Pemex in the first 10 months of 1994 was 112.1 percent higher than figures registered for the same period of 1993. (Mexico City REFORMA in Spanish 17 Jan 95 p 23-A)

A Mexico City 16 January reports item says the National Bank of Mexico, Banamex, the country's foremost banking institution, registered a loss of $249.2 million in the wake of the peso's devaluation last December. This reduced its annual profits to only $83.6 million. In 1994, Banamex's profits suffered a 6 percent drop compared with 1993 figures. Banamex is a member of the financial group Banacci, whose profits experienced a 9 percent drop compared with 1993 figures. As a result of the devaluation, Banacci experienced losses of $111 million only during the last quarter of 1994. (Madrid EFE in Spanish 0132 GMT 17 Jan 95)

A Mexico City 17 January datelined report discloses that based on Pemex internal statistics, Mexico sold and exported an average of 963,000 barrels of crude a day to the United States during 1994. Pemex figures from January to November 1994 show that 73.3 percent of the exports of Mexican crude were sold to the United States; 11 percent to Spain; and 9 percent to Japan. (Mexico City NOTIMEX in Spanish 2102 GMT 17 Jan 95)

According to a Mexico City, 17 January item, the Secretariat of Commerce revealed today that Mexico received $7.5 billion in direct foreign investment during 1994. This figure does not include investment in the stock market. Decio de Maria Serrano, foreign trade and investment under secretary, stated that exports to the United States registered a 26-percent increase in 1994, the first year of NAFTA's implementation. (Mexico City NOTIMEX in Spanish 0028 GMT 18 Jan 95)

According to Decio de Maria, undersecretary of foreign trade and foreign investment of the Commerce and Industrial Development Secretariat, the country registered a 40 percent drop in foreign investment in 1994 when it closed with approximately 7.5 million dollars in direct resources, compared to 15 million obtained in 1993. He said industry currently faces a liquidity problem. (Mexico City UNOMASUNO in Spanish (ECONOMIA Supplement) 18 Jan 95 p 3)

The National Institute of Statistics, Geography, and Data Processing reports a virtual freeze in the creation of jobs. The unemployment situation in November 1994 registered a 3.7 percent unemployment rate for men and a 4.3-percent unemployment rate for women, which is the highest in the past six years. (Mexico City EL FINANCIERO in Spanish 19 Jan 95 p 3A)

Mexicana de Aviacion and Aeromexico's debt, which up until November was 11 billion new pesos, increased by 30 percent in the wake of the devaluation of the peso. Airline officials noted that the difficult situation has been heightened because a large amount of the expenses, including domestic flights, are paid in dollars. (Mexico City UNOMASUNO in Spanish (ECONOMIA Supplement) 19 Jan 95 p 4)

According to a report from Mexico City, the Finance Secretariat has reported that from January to October 1994, Mexico's industrial production increased 4.2 percent compared to the same period in 1993. It was noted that the basic metals sector registered the highest production increase. (Mexico City NOTIMEX in Spanish 1617 GMT 20 Jan 95)

The Bank of Mexico has conducted operations on 19 January that allowed it to postpone for 14 days the liquidation of the Federal Treasury Bonds, Tesobonos, for $372 million. This allowed it to virtually resolve the payment of 900 million of these Tesobonos that reached maturity this week. According to money market operators, the Central Bank reportedly granted a 52 percent annual interest incentive to bond owners so that they would accept a 14 day extension of the maturity date. (Mexico City LA JORNADA in Spanish 20 Jan 95 p 39)

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El Salvador

Demobilized Soldiers Occupy Congress, Demand Compensation

PA2401174395 Paris AFP in Spanish 1649 GMT 24 Jan 95

[FBIS Translated Text] San Salvador, 24 Jan (AFP)—Several sources announced that this Tuesday approximately 200 demobilized soldiers occupied the National Congress building in San Salvador, while hundreds of others broke into the National Armed Forces Social Welfare Institute to demand that the government pay them compensation.

One Reported Dead; Protest Spreads

PA2401195195 San Salvador Canal Doce Television in Spanish 1800 GMT 24 Jan 95

[From the "Up-to-Date" newscast]

[FBIS Translated Text] The protest movement has moved to other locations in San Salvador. The demobilized soldiers have moved to the Finance Ministry buildings known as the three towers and continue to demand payment of their indemnifications.

It has been learned here that a former soldier lost his life on his way here. According to reports from the demobilized soldiers, the former soldier is Andres Flores, who presumably died after PNC [National Civilian Police] members opened fire on the protest march. This report has not been confirmed by the PNC.

The demobilized soldiers said they will remain here indefinitely until they are indemnified for the services rendered to the fatherland during the war.

Further on Takeovers

PA2401200195 Paris AFP in Spanish 1801 GMT 24 Jan 95

[FBIS Translated Text] San Salvador, 24 Jan (AFP)—Local radio stations reported that a former soldier of the Salvadoran Army was fatally wounded this morning when several hundred former military members seized Congress, the Finance Ministry, and the Armed Forces Social Welfare Institute (IPSFA).

Former Sergeant Mauricio Cornejo, leader of the demobilized soldiers' movement, told reporters that the victim was identified as Andres Flores. Flores was reportedly shot by the National Civilian Police (PNC) during the seizure of the Finance Ministry.

According to Cornejo, emergency medical personnel transferred the victim's body to a hospital in this capital.

The former soldiers have taken an as of yet unspecified number of employees of these government institutions hostage. A group of deputies is presumed to be among them.

Many of the former soldiers had their faces covered and were carrying knapsacks and clubs. It is not known whether they were carrying firearms. The demobilized soldiers are demanding compensation and land from the Armando Calderon Sol administration to be able to support their families.

Cornejo told the press that the road leading to the customs post in Amatillo—on the border with Honduras—had been blocked, but this had not been officially confirmed.

"These actions are being taken nationwide to demand our rights," Cornejo remarked in a radio interview.

The seized buildings are located at several points in this capital.

The demobilized soldiers broke the maximum-security system maintained by some 100 police agents deployed at the legislative headquarters in central San Salvador.

Legislative security sources said unofficially that an unspecified number of deputies of the opposition Farabundo Marti National Liberation Front (FMLN) are inside the building. However, neither the government nor the legislative authorities have confirmed that information.

This is the second time in four months that former soldiers have engaged in actions of this sort. Last September, some 800 demobilized soldiers seized the Congress headquarters and held 27 deputies from several political blocs hostage for three days.

Meanwhile, the IPSFA building, also centrally located, was cordoned off following its takeover by a contingent of the PNC. AFP confirmed that the PNC agents were carrying large-caliber weapons.

Demobilized Member Comments on Takeovers

PA2401215595 San Salvador Canal Doce Television in Spanish 1900 GMT 24 Jan 95

[From the "Teletwo" newscast]

[FBIS Translated Text] [Unidentified announcer] Adefaes, the Association of Demobilized Armed Forces Members, has carried out a number of marches and takeovers of public buildings as part of a protest against the lack of the fulfillment of certain agreements.

One of Adefaes' targets was the Legislative Assembly. We are going to make a microwave connection with our reporter, Tony Alvarado, now for him to tell us what is going on at the Legislative Assembly now. Good afternoon, Tony. What do you have for us?

[Alvarado] Good afternoon, Jaime. As you just said, we are here at the Legislative Assembly, one of the places that have been surrounded by the members of Adefaes, which consists of demobilized Armed Forces members, former members of the civil defense corps, and former members of the security corps.

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The Adefaes members carried out a number of actions this morning to pressure the government to fulfill certain demands that we are going to discuss now with Narciso, an Adefaes member. Good afternoon, Narciso.

[Narciso] Good afternoon.

[Alvarado] Narciso, to begin, could you rapidly outline—we do not have much time—the demands Adefaes wants the government to fulfill immediately?

[Narciso] The demands we Adefaes members want the government to fulfill are: the assignment of land and financing, that the companero members of the civil [words indistinct], and that the government indemnify the national guardsmen who have not been considered up until today. We will take drastic action if the government does not respond to all of these demands. We have already taken over the IPSFA [Armed Forces Social Welfare Institute] building, the municipal mayor's office, the Finance Ministry, and the Legislative Assembly. We have 14,000 demobilized individuals all over San Salvador, and we have the support of 25 other organizations. We are going to continue with our struggle. Long live Adefaes! [shouts of "Viva!"]

[Alvarado] What is the situation in these locations up to now? We have heard there have already been clashes between the PNC [National Civilian Police] and Adefaes members. Has this statement been confirmed?

[Narciso] We have received reports from several companeros that they were attacked by PNC members near 25th Street and [word indistinct] Avenue. Two companeros were injured, and some people are saying someone was killed, but this remark has not been confirmed yet. We will also take drastic action if the government takes drastic action, but it is said there are 49,000 demobilized Armed Forces members, including members of the civil [word indistinct] and patrolmen. We need our indemnification as national guardsmen as well as the assignment of lands and credit.

[Alvarado] We have heard you have taken action also in the interior of the country. Is this statement true? Can you tell us where the Adefaes members have taken action?

[Narciso] We have active members in all 14 departments, and they are all on alert. They are on alert now just as they were prepared as members of the Armed Forces. They are going to bring us supplies if we have to stay here for several days. We have active members and will carry out drastic action against the government if the government does not fulfill our demands.

[Alvarado] We understand that talks are already under way here at the Legislative Assembly. Who are involved, and what agreements have been reached so far?

[Narciso] only our top leader, Companero Castillo, is holding talks with Onusal [UN Observer Mission in El Salvador] members at this time. No government organization has shown up yet.

[Alvarado] How far are you willing to go should the government further delay this action due to the bureaucratic process through which it has to go to meet your demands?

[Narciso] We have always believed we will be able to resist if the government does not hold talks with our people. We are used to enduring cold, hunger, and thirst; thus, we will be here as long as necessary until the government solves our problems.

[Alvarado] Will you occupy the Legislative Assembly temporarily or indefinitely?

[Narciso] Indefinitely. We have defined no deadline.

[Alvarado] We talked to Narciso. [shouts of "Viva!"] We talked about the current situation here, Jaime. We would like to add the following. According to reports gathered by our people who are after the news, roadblocks were erected at the Oro Bridge and Cuscatlan Bridge and along the Pan-American Highway, and traffic has been interrupted due to the presence of demobilized members from the Armed Forces, civilian defense groups, and former members of security forces such as the National Guard and the Treasury Police.

This is the current situation. The only evacuated building was the Legislative Assembly [sentence as heard]. The IPSFA and the Finance Ministry are still occupied by personnel of the public employee institutions who are in these buildings and cannot evacuate them due to the situation in the nearby area. There are also demobilized members near the courtrooms and the Supreme Court of Justice. They have said they will remain here until the government meets their demands.

Death of Ex-Soldier Confirmed

PA2501000795 Panama City ACAN in Spanish 2237 GMT 24 Jan 95

[FBIS Translated Text] San Salvador, 24 Jan (ACAN-EFE)—Salvadoran police sources have confirmed the death of a former Army soldier who was wounded today during disturbances in this capital, where several hundred demobilized members of that institution occupied three public buildings.

A spokesperson for the National Civilian Police [PNC] has confirmed to ACAN-EFE the death of a former soldier, who supposedly was wounded by agents of that security corps when they opened fire in still unclear circumstances against the demonstrators.

A member of the Association of Demobilized Armed Forces Members (Adefaes) has told ACAN-EFE the dead person was Andres Mendez Flores. This statement was confirmed by an employee of Rosales Hospital, where the wounded former soldier was taken today. Mendez has said the former soldier died while undergoing surgery.

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According to a PNC source, two demonstrators were wounded during earlier disturbances prior to the occupation of the Legislative Assembly, the Finance Ministry, and the Armed Forces Social Welfare Institute.

The former military members occupied the buildings as a means to pressure the government to immediately fulfill their demands to expedite payment of their indemnification checks and pending legal land transfers in keeping with the peace agreements.

Women Freed

PA2501012395 Panama City ACAN in Spanish 0009 GMT 25 Jan 95

[FBIS Translated Text] San Salvador, 24 Jan (ACAN-EFE)—Former Salvadoran soldiers who occupied three government buildings this afternoon allowed women to vacate the buildings as a "guarantee of a possible negotiation" with the government, stated a leader of the demonstrators.

Mauricio Cornejo, of the Association of Demobilized Armed Forces Members (Adefaes), has said the decision was reached following a meeting with Venezuelan Enrique Ter Horst, director of the UN Observer Mission in El Salvador (ONUSAL), "in search of a solution to the problem."

Hundreds of former military members have been occupying the Legislative Assembly, Finance Ministry, and the Armed Forces Social Welfare Institute (IPSFA) buildings in the Salvadoran capital since this morning, demanding payment of their indemnification checks and pending legal land transfers.

The indemnification payments are in keeping with the peace agreements signed three years ago between the government and the former guerrillas of this country that benefit approximately 30,000 demobilized Army members and 15,000 members of the disbanded security corps.

"As a guarantee of our will to negotiate, we will allow the women to leave," Cornejo has said, adding the negotiations could include Defense Minister General Humberto Coroado and Interior Minister Roberto Angulo.

Cornejo reiterated the willingness of the former military members to continue the occupation of the state buildings until their demands are met, because "we have lived through the war and can cope with anything."

An employee of the Finance Ministry has told ACAN-EFE at least 150 women vacated the buildings this afternoon.

It has been confirmed about the incident, which was set off by a demonstration by the demobilized members, that a demonstrator was killed and two were wounded by bullets during a skirmish with members of the National Civilian Police (PNC) who tried to prevent the demonstrators from marching toward the Finance Ministry.

Agreement Reached With IPSFA

PA2501031195 San Salvador Radio Cadena YSKL in Spanish 0049 GMT 25 Jan 95

[Report by Luis Rivera]

[FBIS Translated Text] We have now received the report on the agreement reached between members of Adefaes [Association of Demobilized Armed Forces Members] and the leadership of the IPSFA [Armed Forces Social Welfare Institute].

[Begin unidentified speaker recording] At the IPSFA offices in the El Salvador Tower located at 65 [two-second break in reception] Boulevard and Norte Avenue in San Salvador, at 1800 [four-second break in reception] the Adefaes, the IPSFA administration, ONUSAL [UN Observer Mission in El Salvador] representatives, and the Human Rights Ombudsman's Office agreed to the following points:

First, the members of [six-second break in reception] promised to allow all of the IPSFA senior administrative staff to leave the building, as well as those affiliates who may be inside this building [three-second break in reception] of personnel and those affiliates. Likewise, it will allow the maintenance staff to remain there. I will explain this situation to you [three-second break in reception] who clean the offices in the building. In addition, it will authorize the delivery of food necessary for its [10-second break in reception].

Second, the IPSFA administration [three-second break in reception] not to request or allow the approach of any authority, especially members of the National Civilian Police or the Armed Forces.

Third, ONUSAL and the Ombudsman's Office promised to supervise and guarantee that the parties honor their commitments. This written act indeed includes measures to ensure that human rights will not be [five-second break in reception] the installations and equipment belonging to the institute, as well as to mediate with the corresponding authorities to search for a peaceful solution that will definitely resolve this problem [four-second break in reception]. We signed and amended the contents of all of its components. [end recording]

This was the final agreement Adefaes members and [two-second break in reception] IPSFA. Now, the administrative staff will begin leaving the building located at Roosevelt Boulevard in San Salvador.

Adefaes Vows To Repel Any Assault on Assembly Building

PA2501032895 San Salvador Radio Cadena YSKL in Spanish 0100 GMT 25 Jan 95

[Report by Abiu Segovia from the Legislative Assembly in San Salvador; from the "Five Minutes of News" newscast—live relay]

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[FBIS Translated Text] As the evening passes, the mood and atmosphere here is starting to heat up inside the Legislative Assembly building, where the war [words indistinct) is still latent in the minds of these former Armed Forces soldiers who form Adefaes [Association of Demobilized Armed Forces Members].

They said that they will not change their position of waging a political struggle and that they are determined to wage a military struggle should the Army try to enter the facilities of the Legislative Assembly by midnight, as it has made known.

Meanwhile, Mauricio Cornejo, one of the Adafaes leaders, entered the Legislative Assembly building. On the evening of 24 January, he confirmed the death of two of his companeros. He said a PNC [National Civilian Police] sharpshooter tried to kill him. Let us listen to part of his statements:

[Begin recording] [Cornejo] [Words indistinct] at the Finance Ministry, IPSFA [Armed Forces Social Welfare Institute], and here at the assembly.

[Unidentified reporter] You have at least freed the personnel of [words indistinct]?

[Cornejo] At IPSFA we.... [pauses] Concerning the Finance Ministry, we are holding no administrative personnel, men or women.

[Reporter] There is no Finance Ministry personnel there?

[Cornejo] Absolutely not.

[Reporter] What about the IPSFA?

[Cornejo] There are no [word indistinct] for the time being, but we have taken specific steps to facilitate a negotiation.

[Reporter] Court personnel are still there?

[Cornejo] We came to determine this matter to be able to negotiate.

[Reporter] Will you allow court personnel to leave?

[Cornejo] They are the only ones who may not leave for the time being.

[Reporter] Why?

[Cornejo] Because we have sent three letters on three different occasions to the court president asking for a solution to case No. 23R regarding the area of La Puntilla, Zacatecoluca, and for an investigation into and resolution of the death of one of our companeros.

[Reporter] [Words indistinct]

[Cornejo] Yes.

[Reporter] Except those at the court?

[Cornejo] Except those at the court.

[Report] What about the deputies?

[Cornejo] That point is what we want to determine at this time, because we need clear conditions. There is no reason for this institution to issue a document while the government does as it pleases and does not fulfill the agreement. This is why we will not leave on this day, but we will increase our activities nationwide.

[Reporter] What is the deadline?

[Cornejo] The government has the deadline. We have (?been) here for three days; we have maintained our criteria. We believe at this point it will be for an entire month.

[Reporter] [Words indistinct] will be paralyzed?

[Cornejo] We are establishing conditions to negotiate for the time being.

[Reporter] What activities will you carry out on 25 January?

[Cornejo] We will block [words indistinct] and the Jiquilisco area in Usulutan, and we will become active in the western area starting on 25 January.

[Reporter] What could happen should the Army try to evict you?

[Cornejo] President Calderon Sol would make the biggest mistake, because we are not civilians but, rather, former soldiers, and we know about military strategy and how to counter it. We said at one time we accept the defense minister's challenge. He said he would counter these actions at any cost. Well, here we are. We do not fear death, because we were at war. We know the consequences perfectly well. We regret the two deaths at the Finance Ministry. The PNC is responsible for this circumstance, because it has not determined the specific conditions to guarantee public security.

[Reporter] [Words indistinct]

[Cornejo] We have clearly explained the formulas to everyone. Any activity has its gains and losses. In this case, we lost two companeros when, regrettably, they were actually trying to kill me. We make the deputy public security minister responsible for adopting this attitude. Unfortunately, the sharpshooter aiming at me actually hit another companero. [end recording]

This was an excerpt of statements by Mauricio Cornejo, one of the Adefaes leaders, on the evening of 24 January. He emphatically blamed the PNC and the deputy minister for what happened and added they will hold a vigil over the dead companeros. Cornejo said they hope the government will understand they do not want additional bloodshed.

President Urges Demobilized Soliders To End Seizures

PA2501035195 San Salvador Radio and Television Networks in Spanish 0206 GMT 25 Jan 95

["Message to the nation" by Salvadoran President Armando Calderon Sol; place not given; broadcast in progress—live]

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[FBIS Translated Text] ...me your attention tonight to refer to the serious incidents promoted by a group of people who, through acts of violence, are threatening the country's peace, democracy, and stability.

We regret and condemn the events that have occurred today in the capital and other places in the country. The violent takeover of the installations of the Legislative Assembly, the Housing Ministry, and the Armed Forces Social Welfare Institution, as well as the blocking of traffic in several sections of the highway, are all actions that undermine the climate of peace that the Salvadoran people achieved through great hope and sacrifice.

What is most serious about this affront to the consolidation of peace is that many innocent people are suffering the consequences of these occupations by being held hostage. The acts of violence staged by Adefaes [Association of Demobilized Armed Forces Members] are being engineered by sectors seeking to disrupt the climate of peace and to destabilize the institutionality of the Republic. The Adefaes leaders, prompted by those lurking in the shadows, have used as a pretext for their violent actions the claiming of benefits which are beyond the financial capacity of the nation and which were not considered under the terms of the peace agreements as verified by the UN secretary general.

Ever since I took office as president of the Republic, in all government actions I have promoted the fulfillment of the peace agreements and have demonstrated an unambiguous political willingness to consolidate the peacekeeping process—something we achieved after expending great efforts and sacrifices. As president of the Republic, I am doing everything possible to establish peace and social harmony, but, by my constitutional mandate, I have the unshirkable duty to preserve and enforce the state of law, to safeguard the institutionality of the Republic, and to guarantee the security of the Salvadoran people.

It is absolutely intolerable for small groups of people to provoke chaotic situations that endanger our beloved peace. Under no circumstance, and despite any kind of pressure, we cannot let irrational behavior threaten or destroy peace. To the Adefaes leaders, in light of the violent and unjustified situation you are generating, on behalf of the government of the Republic, and in accordance with the will of the Salvadoran people, I call on you to set aside your confrontational attitude, which fails to contribute anything to the search for solutions to your demands.

Also, I ask all of those who are naively being manipulated to participate in these public disorders to look for rational and civilized solutions to your problems. I am making an earnest call to all of the political institutions and democratic forces to close ranks and defend the institutionality of the Republic, democracy, and the peace that has cost us so dearly.

Dear compatriots, this is an important moment in which we must work together to strengthen and defend democracy, the state of law, and our peace process. This is the time for all Salvadorans to remain united and to work untiringly to further our nation's social advancement and economic development to enable the great Salvadoran family to live in peace, democracy, and freedom.

Have a very good evening, and thank you.

Nicaragua

New Media Director To Revamp State Media

PA2501003795 Managua EL NUEVO DIARIO in Spanish 21 Jan 95 pp 1-2

[Report by Aura Lila Moreno]

[FBIS Translated Text] Mario Amador, the presidency's new information and social communications director, is planning to make radical changes. To achieve them, he began by dismissing Channel Six Director Miguel Shibel and naming Radio Nicaragua's Adolfo Pastran as general press coordinator.

In line with President Violeta de Chamorro's instructions, 1995 will be "the government's year of communications." According to Amador, the idea will be to inform and explain to the people everything the government is doing. To do this, the head of the Information and Social Communications Directorate (DICS) will pull together all government resources available to him.

Explaining Pastran's responsibilities in addition to his heading state-owned radio, Amador said: "We want to have a single communications policy directed by one individual." While Pastran is taking on more duties, Shibel was ousted for allegedly mismanaging funds.

Amador explained that an audit of Channel Six's management revealed that "there were some instances of negligence, though not necessarily of mishandling funds." The new official, who claims no political affiliation, justified Shibel's dismissal by saying there were no funds.

In his opinion, when this happens "a manager becomes a liability instead of an asset. [no closing quotation marks as published] Amador is creating an administrative board over which he will preside. This team will run the group comprising Channel Six, Radio Nicaragua, the Nicaraguan Film Institute [Instituto Nicaraguense de Cine—INCINE] and ALFATEC [expansion unknown].

Amador emphasized that there are no plans to privatize Channel Six. The goal, however, is to define a strategy aimed at different areas—that is to say, turning Channel Six into a public television station again, selling private air time in an effort to revamp programming, and "recruiting a new manager who can attract viewers through dynamic and aggressive programming."

"The intention is not to sell Channel Six at all," Amador emphasized, while pointing that the station is overstaffed and that he will ask the Finance Ministry to help "negotiate with employees who will be dismissed."

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The television station employs 150 people, and Amador thinks the ideal situation would be to reduce that number to 80. In other words, more than half of the staff would go. There will be no changes at Radio Nicaragua, although "I want to sell more air time." INCINE will still fall under DICS but now will have greater autonomy.

As for DICS, "we are changing so that people can be more open with the media," Amador promised. He pointed out that the government currently has no official spokesperson.

"We do not want to be just the spokesmen for President Chamorro or Presidency Minister Antonio Lacayo but for the entire government," the DICS head concluded.

Panama

Cuban Rafters Accuse Clinton of Being Accomplice to Castro

PA2401233395 Panama City ACAN in Spanish 2126 GMT 24 Jan 95

[By Fabio Agrana]

[FBIS Translated Text] Panama City, 24 Jan (ACAN-EFE)—The "rafters" in the camps located at the U.S. military bases along the Panama Canal are accusing U.S. President Bill Clinton of being an accomplice to the ruler of Cuba, Fidel Castro, and waging a policy against the Cubans.

Several of the rafters in Camp No. 1 (there are four of them), which only houses men following the disorders of 7 and 8 December during which two Cubans died, have told ACAN-EFE both governments should be punished for the human rights violations that are committed at the refugee camps every day.

Some of them, who have asked to remain anonymous for fear of reprisal by the soldiers, have said the camps operate like a modern concentration camp, with tanks and soldiers bearing clubs and shotguns as if they were in a war.

Authorities from the Southern Command based in Panama have strengthened their security measures in the camps in view of the possibility new disorders could take place due to the transfer of the Cubans to the U.S. Naval Base in Guantanamo, Cuba.

The U.S. Army has suspended leave permits for the 3,500 soldiers guarding the rafters camps along the Panama Canal in an effort to step up surveillance following the escape of 14 Cubans from refugee Camp No. 3 this weekend, seven of whom have already been recaptured.

Cuban Felix Suarez has said that the rafters have received with "resignation" the news of their return to Guantanamo and that they want no confrontations with the soldiers and do not want to escape, "because you would otherwise get killed or be ready for the hospital."

Another Cuban has said what the U.S. authorities want is for there to be disorders so they can have an excuse to send them back to Cuba.

The number of Cubans willing to return to their country increases each day according to rafters in Camp No. 1, where they say there are at least 100 of them who want to return to the island in view of the lack of freedom they claim exists in the camps.

They have said, however, their situation has worsened, because none of the third countries being mentioned is willing to receive them. They are not even wanted back in Cuba.

Even so, the rafters have threatened to escape from Guantanamo and flee to Cuba, even if it means risking their lives by stepping on one of the mines besetting the base.

Carlos Alberto Mas Zavala, the new Cuban ambassador to Panama, said today that his country "is ready" to accept those rafters who want to return and that there will be no obstacles for them to request their visas to go to the United States.

Approximately 7,571 Cuban rafters are lodged at the U.S. military bases along the Panama Canal, while 1,051 rafters, mostly children, the chronically ill, and older people, have been able to provisionally enter the United States, while 72 others have gone to Spain.

On the violations of their human rights, the rafters have maintained they began the instant they put to sea on board their rafts and the Coast Guard picked them up, thus preventing them from reaching U.S. territory.

The contradiction lies, they have said, in that a U.S. newspaper reported recently the United States has accepted some 18 rafters who were able to land in Florida.

Suarez has said in this regard that Clinton "is implementing a policy against us" and that returning them to Guantanamo will be one of his biggest mistakes.

"We refuse to go to Guantanamo, because Castro has people infiltrated there, and we do not know what may happen to us," Suarez has said. He also has said he did not know why the United States has changed its policies on the rafters, who feel "frustrated" and "cheated," as they have been unable to go to the United States.

Meanwhile, Alberto Pereira has asked himself: "Why are we being forced to return to Guantanamo if we voluntarily came to Panama?"

The Southern Command has reported there is no specific date for the beginning of the operation to transfer the rafters to Guantanamo, but the Panamanian Government has announced it will begin on 15 February.

Panama has signed an agreement with the United States to accept up to 10,000 rafters for a six-month period, which expires on 6 March and which Panamanian authorities are refusing to extend. This reason is why the Cuban rafters must be taken to U.S. territory or any other country.

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Argentina

Government May 'Study' Korean WTO Nomination

PY2401204795 Buenos Aires LA NACION in Spanish 24 Jan 95 p 1

[FBIS Translated Text] Argentina will study the candidacy of Kim Chol-su, South Korean trade and industry minister, if Carlos Salinas de Gortari's nomination is withdrawn.

Kim Chol-su, the candidate for Asia to the position of World Trade Organization (WTO) director general, obtained the Argentine Government's promise that it will study his aspirations with interest if the nomination of former Mexican President Carlos Salinas de Gortari is withdrawn.

Kim met with Argentine Foreign Minister Guido Di Tella, who gave him the same answer he received from Colombia and Chile, countries he visited before arriving in Argentina. "They will study his candidacy with interest if Salinas withdraws."

The WTO is an organization created after the conclusion of the Uruguay round of GATT talks in Morocco. It has already been joined by 125 countries, while 20 other countries are studying joining it. Candidates for the post of director general are Renato Ruggero, former Italian commerce minister and current Fiat vice president, who so far has the largest number of supporters in Europe and Africa; Kim, who represents Asian nations and some African countries; and Salinas de Gortari, who has the support of the United States, Canada, and most Latin American countries, including Argentina.

Arguments

"The future WTO director should not be elected as a representative of the EU or NAFTA, but because of his capacity to direct this new organization," Kim argued in support of his nomination. He added that because he is from a nation that "only 30 years ago was underdeveloped and today is experiencing accelerated progress, he would be a good mediator between the interests of both groups, particularly because Korea does not belong to any specific commercial group, and from a neutral point of view, he could defend the underdeveloped nations' positions."

Kim said that if he is elected, he will do his utmost to see that the WTO's tenets on free trade are fulfilled.

Central Bank President Denies Negative Market Rumors

PY2401211395 Buenos Aires TELAM in Spanish 1743 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (TELAM) —Central Bank President Roque Fernandez today made an exhortation not to listen to the ill-intentioned rumors circulating within the market because they do not pursue a constructive attitude.

At the end of a meeting of the financial mini-cabinet held at the Economy Ministry, Fernandez said that "the people must remain calm." "Many times these rumors can have bad intentions and they do not pursue a constructive attitude."

The Central Bank president thus denied the rumors that had been circulating within the market during the past few days regarding the alleged closure of financial enterprises and a fall in deposits.

"We are trying to deal with these rumors. I do not believe that it is a good thing to generate uncertainty among the people; lists are circulated and the people ask themselves whether it is their bank," Fernandez said.

Denies Resignation Rumors

PY2401215195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1515 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (NA)— Central Bank President Roque Fernandez today denied the rumor that he was leaving the bank. Such a possibility was mentioned by Radical [Civic Union] presidential candidate Horacio Massaccesi.

"I do not know whether Governor Massaccesi really said that, but we never discussed the matter. I, therefore, categorically deny it," Fernandez told reporters at the Finance Ministry.

Fernandez talked with reporters at the end of an economic team meeting presided over by Economy Minister Domingo Cavallo. The Central Bank president also denied the existence of misunderstandings within the economic team, particularly between Roque Maccarone, banks, finances, and insurance under secretary, and National Bank President Aldo Dadone.

Central Bank Intervenes in Market To Alleviate Lack of Money

PY2401213895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1859 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (NA) — The Central Bank today decided to determinedly intervene in the financial market in order to try and alleviate the strong lack of liquidity that the system is undergoing. It released 116.3 million pesos through forward exchange operations against securities.

The determined intervention of the Central Bank within the market achieved a decompression, although only a timid one, of the call money [preceding two words in English] rate, which today operated at 10.5 percent per year.

Moreover, the loans made by the Central Bank were contracted at 12 percent for a 1-day period.

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Since it reimplemented this mechanism for injecting liquidity into the market on 20 January, the Central Bank has released a total of 226 million pesos.

Finally, the main money exchange houses quoted the dollar at 99.70 per $100 for purchases and 100.20 pesos per $100 for selling.

Deputy Economy Minister: Mexican Crisis Affects Banks

PY2501025195 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jan 95 Section 2 p 3

[By Sonia Mossri in Buenos Aires]

[FBIS Translated Text] Argentine Deputy Economy Minister Carlos Sanchez has told FOLHA DE SAO PAULO that the Argentine financial system will not be unharmed by the Mexican crisis. According to Sanchez, this will result in the merging of several financial institutions.

Sanchez said: "The crisis may result in reducing the number of banks: Some will merge and others will form corporations. This can make the Argentine banking system more solid."

Sanchez said the Argentine Government feared that deposit account holders might panic if several banks went bankrupt. This is why the government created a $1 billion fund to help the banks that had problems in terms of their liquidity, which means difficulties regarding currency or documents and certificates that can be automatically converted into money.

Sanchez repeated several times that the banking system crisis affected only institutions that had not concentrated their operations in attracting deposit account holders, but worked basically with investment funds (investment fund banks) [bancos atacadistas].

Roque Maccarone—Economy Ministry secretary for banks, finance, and insurance—already admits that nearly 30 banks have been experiencing liquidity problems.

Economy Minister Domingo Cavallo is even willing to use government resources to stop a general liquidity crisis in the Argentine banking system.

"Only the investment fund banks have this sort of problem. The government feared these banks might go bankrupt and thus frighten a lot of people," Sanchez said.

According to him, the government will not extend its help to institutions with solvency problems, i.e., institutions that would not be able to timely pay their debts, because these banks will die "natural deaths."

Sanchez, who is also trade and investment secretary, said there is no "panic" among the deposit account holders because the liquidity crisis only occurs in interbank operations and does not affect the individual deposit account holders.

He believes the full dollarization of all the financial institutions' operations with the Central Bank will reduce the financial agents' uncertainty about a possible devaluation of the Argentine peso.

"All the government has been doing until now tends to prompt more confidence. If this occurs, as we expect it will, the demand for pesos will increase."

Sanchez admits that the devaluation of the Argentine currency has been influencing the behavior of Argentine savings account owners. Many of them are preferring to invest in dollars instead of pesos.

The deputy minister points out that all pesos circulating in the economy are guaranteed by an equal amount of reserves deposited in the Central Bank.

Argentina will experience a drop in its economic growth for the first time since the implementation of the Cavallo Plan four years ago. The Economy Ministry estimates that the country's gross domestic product will grow by 4.5 percent rather than the average 7 percent growth rate it has been experiencing annually since 1991.

Carlos Sanchez has told FOLHA DE SAO PAULO that foreign investment in Argentina may decrease as a result of the Mexican crisis.

Since the beginning of the Cavallo Plan (April 1991), the expansion of the Argentine economy has been a result of foreign investment, which has totaled $10 billion per year.

According to Sanchez, the Economy Ministry needs $2 billion to prevent a deficit in the public accounts in 1995. Cavallo has already obtained $1 billion by implementing cutbacks in the budgets of all ministries. These cutbacks have been authorized by President Carlos Menem.

Sanchez asserted that to obtain the remaining $1 billion, the government will have to intensify its program aimed at fighting tax evasion.

Foreign Ministry Says Ruling on Laguna de Desierto 'Final'

PY2401140695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1057 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (NA)—Having warned that the ruling issued by the Latin American Arbitration Court on Laguna del Desierto "is final," the federal government has underlined that the ruling "is legally impeccable and has no defect."

This was reported in a communique issued by the Foreign Ministry on 23 January in view of the announcement by Chilean Foreign Minister Jose Miguel Insulza

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that his country would appeal the Latin American Arbitration Court ruling on Laguna del Desierto.

The Foreign Ministry noted in its five-point communique that "pursuant to the arbitration agreement signed on 31 October 1991, the ruling issued by the Latin American Arbitration Court on 21 October is final."

It moreover stated that "the 1984 Treaty provides only for a writ of error by the same court in the most exceptional cases, in which the ruling had been issued 'by virtue of a false or tampered document' or when it had 'totally or partially resulted from an error of fact appearing in the proceedings of the case or on record,' which is not the case now."

The communique further states that "the ruling of 21 October, which takes up the Argentine claim concerning this controversy and acknowledges Argentina's legitimate rights, appropriately interprets the 1902 arbitration award in keeping with international law."

It underscored that "Argentina firmly contends that the ruling by the Arbitration Court is legally impeccable and has no defect."

In conclusion, it said that "Argentina is convinced of the legitimacy of its rights, which were upheld by the Arbitration Court, and firmly maintains the absolute trust it has put in that court since the beginning of the arbitration proceedings."

Di Tella Views Chile's Request on Arbitration Decision

PY2501002595 Buenos Aires CLARIN in Spanish 24 Jan 95 p 3

["Exclusive" interview with Foreign Minister Guido Di Tella by Guido Braslavsky Nunez on 23 January; place not given]

[FBIS Translated Text] [Braslavsky] How did the Argentine Foreign Ministry receive Chile's decision to request a revision of the arbitration decision?

[Di Tella] It was to be expected, particularly in view of current political pressures in Chile. But the decision itself has not been challenged and we do not think the revision will change anything.

[Braslavsky] Chilean Foreign Minister Miguel Insulza said, however, that Laguna del Desierto borders could change.

[Di Tella] In effect, there might be a change if they are successful. But we think it improbable, because circumstances must be very grave for the Arbitration Tribunal to accept Chile's request.

[Braslavsky] Does the Chilean decision seek to answer domestic pressures, particularly those coming from the right, which has been started berating the Eduardo Frei administration ever since the Arbitration Tribunal issued its decision?

[Di Tella] Yes, they are using a legal recourse, no matter how doubtful the results might be. They do not want to be told in the future that they did not do everything possible to change the arbitration decision.

[Braslavsky] Does the Chilean request affect our bilateral relations in any way?

[Di Tella] Not at all. Everything is being done in accordance with the Argentine-Chilean Treaty of Peace and Friendship. At the most, there will be a delay or postponement in marking the definitive borders.

[Braslavsky] Is the Argentine Foreign Ministry downplaying the importance of Chile's revision request?

[Di Tella] Look here, everything is important, but this is not too important. We will take the matter seriously, but we understand why they did it.

[Braslavsky] Why do you think they did it?

[Di Tella] It is a strategy to extend the agony.

[Braslavsky] There is no doubt in your mind, then, that the Arbitration Tribunal will not accept Chile's request.

[Di Tella] We do not have any doubts.

Signing of Accords Marks Canadian Prime Minister's Visit

PY2401224695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1724 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (NA)—On 24 January, President Carlos Menem and Canadian Prime Minister Jean Chretien signed a joint communique underscoring the signing of a memorandum of understanding between the Argentine Industrial Union (UIA) and the Canadian Manufacturers Association.

According to the communique, the agreement "shows the private sector's will to undertake joint ventures that will redound to the benefit of both countries."

The agreement was signed at Government House at noon during a meeting also attended by Argentine Foreign Minister Guido Di Tella, Canadian Ambassador to Argentina Robert Clark, and officials from both countries' foreign ministries.

Menem and Chretien also signed cooperation agreements on research and development in the mining industry and the environment, and on the transfer of industrial technology. Moreover, the agreements provide for the implementation of a program for the furnishing of services to Argentine nuclear power plants, in addition to an exchange of information on programs on research, development, maintenance, and construction of Candu reactors and on the disposal of nuclear waste.

Chretien's state visit to Argentina, which ends today, is part of a regional tour that included Brazil, Chile, Uruguay, Trinidad and Tobago, and Costa Rica.

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During the two meetings they held, Menem and Chretien discussed bilateral relations and, in particular, the Canadian Government's interest in Argentina's policy on the privatization of nuclear power stations.

The Canadian prime minister arrived in Argentina accompanied by an entourage comprising numerous businessmen, who signed agreements and letters of intent with their Argentine colleagues totaling $276 million.

The Canadian Government also granted loans to Argentine companies totaling 45.5 million pesos.

In the joint communique released at Government House, Menem and Chretien "warmly" welcomed the signing of the memorandum of understanding on high-level political consultations, "which Canada instituted as an expression of the deep degree of understanding reached and of the wish of both governments to strengthen this common ground."

Canada also stressed Argentina's and Brazil's "constructive and innovative" decision to establish the Argentine-Brazilian agency for the accounting and control of nuclear materials.

Menem and Chretien expressed their commitment to strengthen the two countries' mutual cooperation within the framework of the Chemical Weapons Convention, the Group of Nuclear Supplier Countries, and other nuclear nonproliferation forums.

Both parties expressed their satisfaction at the approval by consensus of the resolution on the initiative regarding the White Helmets.

The two leaders pointed out that the proposal "will be a contribution to alleviate poverty, eradicate hunger, and mobilize UN capabilities in the field of emergency humanitarian assistance."

Menem and Chretien emphasized the importance of close cooperation between the two countries in the area of preservation and sustainable use of fishing resources in high seas.

Memorandum of Understanding Signed

PY2401231995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1836 GMT 24 Jan 95

[FBIS Translated Text] Buenos Aires, 24 Jan (NA) —President Carlos Menem today highlighted the ties that unite Argentina and Canada, and he stressed that the two countries "combine a proposal for the integration of the continent" of the Amercias.

In a brief address that he gave after participating, together with Canadian Prime Minister Jean Chretien, in the signing of a memorandum of understanding and cooperation between the two countries, Menem maintained that the relations between Canada and Argentina "have a significant fluidity."

In this respect, Menem said that "Canada in the north and Argentina in the south practically combine a proposal for the integration of the continent as a whole.

"In this aspect, we Argentines have a lot to learn from Canada, and it is my intention that our men of science, those who work in the field of technology, assimilate everything that Canada has achieved during these past years in these matters, and then the knowledge that these people obtain will be disseminated to the community through the educational sector," the president said.

He then reiterated that Argentina has implemented a process "of profound transformation in the field of education," in which "we have incorporated the experiences of other countries such as Canada."

In this respect, he stated that Canada "is one of the most meticulous countries, one of the most orderly and most transparent countries of our planet, with a per capita income of $24,000 per year," and he recollected that "during the decade of the 1930's Argentines and Canadians were at equal levels."

"What happened? Very simple: We isolated ourselves, we established policies that were fully protectionist, and we did not understand that political freedom had to be transferred to the economic sector, something that Canada did do. That is the difference," he emphasized.

He also indicated that there is a great similarity between "the Canadian person and the Argentine person" because "we practically have the same type of production, and thus, the time has come to advance in this aspect, taking into account the fact that what we have signed today will help us, in a very short time, to be at the height of this dear country."

Bolivia

Coca Growers To Act If Zero Option Implemented

PY2501015395 La Paz HOY in Spanish 7 Jan 95 p 2

[FBIS Translated Text] Cochabamba—The Chapare coca growers have declared war on the government and warned that if it insists on implementing the "zero option," it will resort to a political tool "to get the MNR [National Revolutionary Movement] and the MBL [Free Bolivia Movement] out of Government Palace."

The warning was made by coca grower leader Evo Morales during a gathering of approximately 10,000 coca growers, who staged one of the largest demonstrations seen in this capital these past years.

The coca growers started to arrive early yesterday morning from various tropical towns and then marched down the streets and avenues of this city chanting "causachun coca, huanachun gringos" [long live the coca leaf, death to the gringos] and shouting slogans against the government and the U.S. Embassy. The rally, headed

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by COB [Bolivian Labor Federation] leader Oscar Salas, ended at the 14 de Setiembre Square, where the main ceremony was held.

Evo Morales charged that with the "zero option," the government not only intends to deprive them of the coca leaves, but also of the land, and to destroy the peasant organizations of the Cochabamba tropical region. Evo Morales said: "We are starting a new war against this government. If the government wants to get us out of Chapare with the zero option, we will resort to a political tool to get the MNR and the MBL out of Government Palace."

Moreover, Evo Morales reaffirmed that a four-month campaign in 11 European countries to uphold the coca leaf will start next week. Morales announced: "We will have the chance to raise the coca problem and its decriminalization during the 23d UN Commission meeting."

COB leader Oscar Salas was the last to address the rally by explaining the purpose of the single list of demands the COB submitted to the government on Thursday, 5 January, basically demanding better living standards for the workers.

He said that the government had given a premature answer by stating that it is not possible to honor the demands for a salary hike, that the zero option will be implemented, and that the education reform and the popular participation plan will also be carried out.

"Those in government should be aware that the workers, the people, and the peasants are no longer willing to endure the hunger and misery to which they have been subjected during the past 10 years. We have to continue making a sacrifice while those who enjoy political power earn salaries equivalent to those of 10,000 to 12,000 Bolivian peasants and pocket the results of the people's efforts," Morales commented, also as a premature answer to the government.

The COB leader also warned about the government's determination to separate the peasants from the rest of the workers and urged them to remain united because the government's demands will be harsh but "our answer must also be harsh because we are willing to defend our rights and see that they are respected," he said. The rally ended without incidents of any kind.

Daily Views Ways to Improve Image Abroad

PY2401233795 Santa Cruz EL MUNDO in Spanish 15 Jan 95 p A5

[Editorial: "Bolivia's International Image"]

[FBIS Translated Text] Bolivia began to be identified internationally with drugs during the dictatorship of Luis Garcia Meza. That image has not only continued, but tended to be exacerbated as a result of the scandals of the last few years.

The news published daily by the press is full of scandals linked to drug trafficking. It can be said that the specter of drugs is moving around the world, and in the case of Bolivia, the drug issue is practicaly defining the course of its foreign relations because it has become the central issue in relations with the United States.

As there are very few economic, scientific, cultural or artistic events distinguishing us in the international scene, the negative events irremediably become known.

The image problem in the case of Bolivia is related, above all, to the economy. The illegal and informal economic activities in general terms, and drug trafficking in particular, are gaining ground in countries like Bolivia, which is facing serious problems in joining the world economy.

The small volume of legal exports continues to contrast with the growing drug trafficking activity which influences, in one way or another, the economy of Latin American countries. It is a fact that drug trafficking has an influence, the extent of which has not been measured, on the economy of the region. Therefore, it is a much more serious problem than generally believed.

When the need to defeat drug trafficking in Bolivia is proposed, it is necessary to think in terms of strengthening legal economic activities by increasing and diversifying exports. It should be known that a tremendous effort is required to reverse the unfavorable terms of trade with our neighbors. This is necessary to prevent our relations with the industrialized countries from being subject to the cocaine problem, and from depending on easy credits and humanitarian aid.

We need to expand our exports to face drug trafficking in a forceful manner, and to do this we need to set the basis of a production policy. Furthermore, we cannot turn a deaf ear to the demands of the international community, which, in addition to drug enforcement, is demanding responsibility in the use of the aid given.

The Bolivian international image could be improved through a clearer national strategy combining drug enforcement with an economic policy that can be implemented more quickly and more effectively for the creation of new jobs.

Anything done to improve Bolivia's international image would not serve much without a legal framework guaranteeing the dignity and security of innocent people, and the punishment of the guilty ones in proven cases of drug trafficking without privileges for anyone or excesses violating human rights.

Brazil

Ambassador to U.S. Views Cardoso's Upcoming Visit

PY2501002495 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 24 Jan 95

[By Carlos Alberto in Brasilia]

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[FBIS Translated Text] The Brazilian ambassador to Washington has pointed out the importance of President Fernando Henrique Cardoso's trip to the United States.

President Cardoso will pay an official four-day visit to the United States in April. He will stay in New York on 18 and 19 April and spend 20 and 21 April in Washington. On Cardoso's instructions, the Brazilian ambassador to the United States, Paulo Tarso Flecha de Lima, is working in three areas: economic, academic and cultural, and political. Since Cardoso will meet U.S. entrepreneurs and investors during the trip, Ambassador Flecha de Lima is certain that the amount of U.S. investment in Brazil will increase.

[Begin Flecha de Lima recording] I believe the current level of investments in Brazil is very satisfactory. I also believe that with the reforms President Cardoso plans to implement, the Brazilian capacity to attract investment will increase. The most attractive aspect Brazil offers is our political maturity. Brazil has suffered a great deal and has experienced several political difficulties. Currently, however, we have reached a moment of great stability, and nowadays there is national unity. This unity is entitled democracy. [end recording]

In Flecha de Lima's opinion, the trip has a very well defined objective: It will serve to intensify political dialogue between the two countries because, according to him, President Bill Clinton sees in Fernando Henrique Cardoso a very well-qualified interlocutor.

Foreign Minister Lampreia Examines Mexican 'Crisis'

PY2401191395 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jan 95 Section 1 p 3

[Commentary by Foreign Minister Luiz Felipe Lampreia: "Lessons of the Crisis"]

[FBIS Translated Text] The Mexican crisis has been frequently discussed in Brazil from a radical point of view. On one hand, some believe that as in 1982, it will affect us permanently, jeopardizing the country's efforts to achieve stabilization and a resumption of growth; on the other, some believe that in view of the undeniable structural differences between the two countries' economies and their respective stabilization programs, Brazil will not be affected in the medium or long term, and will even profit by Mexico's sacrifice.

Strictly from the point of view of Brazilian foreign policy, it is necessary to harmonize these perceptions, and not through casual speculation but because we have the opportunity to learn from this crisis, and use this knowledge in the service of our development plans and our efforts to join the international community.

It is not true that Brazil will profit from what Mexico can lose. A strong Mexico, with sustained growth, is exactly one of the operational partners that Brazil needs. Our relations with Mexico are extremely profitable, and our bilateral trade has already surpassed 1 billion dollars per year.

Even if one believes that Brazil might benefit from the deviation in the investment flow previously earmarked for Mexico, it must first be known whether we want to and can, from the macroeconomic policy point of view, receive this additional capital flow, which has an exchange and monetary impact.

We want to attract productive investment because of our economic virtues, and not because of an accidental problem being experienced by any of our partners. Latin American macroeconomic stability can only benefit Brazil. The example of the Asian countries of the Pacific Ocean must serve to guide us.

It is true that the Mexican crisis has affected us—and this can be measured in figures—because this crisis served as an alert about the entire continent for international investors. There was a similar situation previously, when the Mexican moratorium precipitated (but did not cause) an unprecedented financial crisis in Latin America.

Although the current Mexican crisis does not mirror that of 1982, the investors' retraction was a result of the most elementary sense of prudence, and also explains the reaction of all Latin American stock markets, and in particular those in Brazil.

At the first stage it is similarity, even if merely psychological (although it is more than that), that commands the evaluations. The next step certainly calls for a more detailed evaluation of the crisis, its causes and implications, and includes the reactions to the crisis experienced in other markets. At the second stage it is the difference that commands the evaluations.

This difference becomes evident to a more conscientious and well-informed analyst as it stems from fundamental data on the Brazilian macroeconomic reality, from our presence in world and regional trade, from the characteristics of our industrial infrastructure and agriculture, from the level and quality of our international reserves, from the nature of our adjustment and our commercial opening, from the foundation of our stabilization program, and from the magnitude of our economic upswing, not to mention our political system and social structure, with their respective abilities to channel demands, handle conflicts of interest, or reach consensus.

It goes without saying that this difference is in turn blurred by some considerations that render us similar once again. The deficit in the Brazilian balance of trade over the last two months, coinciding with the Mexican exchange rate crisis, the perception by some sectors that the real might be overvalued, and the volatility in the flow of funds that have entered Brazil, are considerations that must be assessed on their own merits and also against the backdrop of our differences.

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At any rate, it is paramount that we should draw practical lessons from this crisis. The most important one is, undoubtedly, the one that has the greatest impact on the sustainability of a dynamic project to strengthen our international presence, namely that being different is not enough. To all outward appearances, one has to give the impression that one is different.

It behooves us, Brazilians, and especially those who are managing our domestic economic and political process as well as our foreign relations, to point to that difference, to underline it in a positive and assertive manner, and above all to contribute to strengthening and enhancing it.

Brazilian diplomacy has a central role to play in putting these lessons into practice. Our diplomats' overriding priority is to explain, give details, and go into long explanations of the reasons that make us trust in Brazil at this juncture. This task will be all the more successful if we manage to buttress our contention that we are different by clearly pointing out that Brazil is undertaking fundamental structural reforms to substantiate the qualitative transformation that our economy has undergone, and to have more efficient instruments at our disposal on the domestic front, so as to continue competing on the international scene with the renewed effort that economic stability and the resumption of growth have instilled into our country. There is also an absolute need to effect the reform of Brazilian diplomacy.

The commitment to reform, the search for a consensus or a majority to carry out this reform, and our already proven ability to learn by experience—our own and others'—constitute the best assets Brazil has at present to move ahead at this stage of our path. In sum, being different, looking different, and accentuating this difference in its positive aspects with deeds and achievements—these are the lessons we have learned from the crisis.

Entrepreneurs Dismiss Effects of Mexican Situation

PY2501030095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 95 p B7

[Report by Milton F. da Rocha Filho]

[FBIS Translated Text] A survey conducted by Trevisan Auditores wherein 205 entrepreneurs and financial executives were interviewed has revealed that an absolute majority of them (82 percent) do not believe Brazil's economy in the future will look like the Mexican economy today, an episode called the "Tequila effect." Those conducting the survey interviewed entrepreneurs and executives of large and medium-sized national and multinational companies this month.

According to Sergio Amad Costa, the person responsible for the survey, the Mexican case was much more serious because its economy was incorporated into NAFTA. In the opinion of 32 percent of the entrepreneurs, the success of the Real Plan depends on a constitutional revision that must be carried out this year.

For 21 percent of those questioned, a fiscal reform is essential, 24 percent think a tax reform is essential, 9 percent think congressional support is a priority, and 1 percent say the control of foreign exchange is basic. A group comprising 13 percent of those questioned think it is more important to intensify the privatization process. A total of 87 percent of the entrepreneurs interviewed said they favor the privatization of state banks, while 9 percent said they oppose the measure and 4 percent do not have an opinion.

An absolute majority (83 percent) think the expertise of the economic team is adequate to give continuity to the Real Plan, 2 percent of those questioned think it is not adequate, and 15 percent did not know. For 49 percent of those interviewed, the issue of the foreign exchange rate is currently not the Brazilian economy's main risk factor, while 40 percent of those questioned think it is. A group comprising 11 percent of those questioned did not know the possible effects of the foreign exchange policy.

Trevisan asked its interviewees when they thought the dollar would be equal to the real: 43 percent of the entrepreneurs said by the end of 1995, 34 percent said by the end of the first half of this year, and 23 percent said by the first half of 1996.

Trevisan Auditores thinks these results show a reversal of expectations relative to previous surveys. Before the Mexican crisis, a majority of those questioned believed the dollar would reach parity with the real only after the first half of next year.

Asked about the possibility of the government introducing a revision of the policy of internationalizing the economy, 18 percent of the entrepreneurs questioned said current policies are correct, 8 percent of those questioned said changes are occurring too fast, 38 percent said the economy is still not open to a significant decree, and 8 percent said a revision was necessary to defend national industries. A total of 23 percent of those questioned said a revision of current policies would discourage competition and industrial modernization plans, while 5 percent did not know. Companies consider themselves ready to compete in the Mercosur [Common Market of the South]. This was the opinion of 62 percent of the entrepreneurs questioned. A group comprising 27 percent of the total said companies were not ready, while 11 percent said they did not know. A total of 84 percent of those questioned said Mercosur will be good for Brazilian businesses.

Entrepreneurs condemned Provisory Measure 812 and the increase of taxes on companies. They said the government wants to be companies' partner only when they make a profit.

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Central Bank Head Interviewed on Economy

PY2401151295 Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Jan 95 p 11

[Interview with Central Bank, BC, President Persio Arida by Claudia de Souza; place and date not given]

[FBIS Translated Text] [Souza] Your swearing-in speech was considered critical of the Jose Sarney administration. What did you mean to say?

[Arida] In my speech there was one sentence, just one, that conveyed a feeling of personal frustration. In the countless interviews I have granted, and in the tens of articles that I have written, I never criticized former President Jose Sarney, and I would not criticize him now. I feel great appreciation for him and I hold him in high regard. In my speech I referred to the fact that at that time the country had not as yet a mature concept of the fight against inflation. There was the idea that inflation could be rapidly overcome.

[Souza] Many people share this view, in Congress, in state-run companies...

[Arida] The fight against inflation is a very lengthy process. Years are needed to achieve stability. It would be deceptive to expect that a country that has coexisted for over 20 years with what is by international standards a high and chronic inflation rate can overcome its imbalances overnight. Inflation is the tip of the iceberg of public sector imbalances.

[Souza] What do you think of the current inflation rate in our country?

[Arida] We have the lowest inflation rate of the past 21 years, without artificial price freezes. They said the Real Plan was electoral fraud, that it would last until November or at most December. The fact is that we are in January, and inflation stands at around 1 percent a month. As important as the inflation rate drop itself is the fact that basic staple products are today cheaper than when the stabilization program was started. The basic basket of staples cost 106.95 reais [R] when the plan was set in motion on 30 June, and now costs R98.43. Nominal salaries are higher, and there is no longer the erosive monthly inflation rate. This shows an unequivocal increase in the income of the poorer sectors.

[Souza] Can this situation be maintained?

[Arida] Our fiscal adjustment is still weak, as it relies on the Social Emergency Fund, while there are indexation features that should disappear. I am sure that inflation will disappear with a permanent fiscal adjustment, with an austere monetary policy, and with the elimination of indexation. Stabilization should be an absolute priority throughout this process. It is the context of price stability that creates the appropriate conditions for sustained development. This should not be considered indifference toward social issues. Measures will actually be needed to alleviate the problem of absolute poverty. Yet it would be wrong to sacrifice the balance of public accounts to make social expenditures. The return of inflation would cancel the effects of those expenditures.

[Souza] Can the government manage the intensification of economic activities in December and January?

[Arida] Stabilization plans always promote expansion, because they improve the income of poorer sectors and reduce the risk that economic activities and investments have under a high inflation rate. All stabilization plans made with chronic inflation have this feature. The expansion of private sector activities is healthy. Stability brings greater opportunities for business in Brazil, and this attracts foreign and domestic investment. This expansion, however, must be coupled with a reduction in the activities of the state, which should counterweigh the expansion of activities by the private sector.

[Souza] What will the effect of the Mexican crisis ultimately be on the Brazilian economy and on Brazilian economic policy?

[Arida] The international economy is becoming increasingly integrated. The Brazilian economy was certainly affected, for example, by the drop in the price of commodities that followed the fall of the Berlin wall. It was also affected by the vigorous outbreak of growth of the Asian capitalist economies. It would therefore be naive to imagine that Brazil would not be affected by something happening in a neighboring country. The Brazilian stock exchange, for example, suffered the effects of the Mexican crisis. This does not mean, however, that the Mexico of today is the Brazil of tomorrow. The fact of the matter is that Mexico has had high current account deficits for several years, deficits that were backed by short-term capital. The Chiapas crisis caused a sudden reversal of the capital inflow. Brazil has for many years—and last year as well—maintained an approximate balance in its current account. Any comparison in this regard would be inappropriate.

[Souza] Is it good for Brazil to have trade deficits?

[Arida] The balance of trade is one of the items in the current account. Contrary to what is usually said, the current account does not depend only on the exchange rate. It also depends on the country's capacity to absorb its own production, which is normally called domestic consumption. This gives rise to the key variable of the adjustment: fiscal policy. If fiscal accounts are not balanced there is either inflation, or a current account deficit because of excessive domestic consumption, or—and this frequently happens—a combination of the two. That is why we said that the key effort to promote lasting foundations for stability should be made in the fiscal sector. The great task ahead of us is the reform of the Constitution, of the tax system, and of the government spending profile, in order to create a fiscal regime that can back the stabilization plan in the long term. In the short term, the monetary policy can fill vacuums, but there is no substitute for the long-term fiscal policy.

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[Souza] Antonio Carlos Magalhaes contended that the BC's intervention in the Sao Paulo State Bank and in the Rio de Janeiro State Bank may ultimately turn out to be a reward for the respective state governments if, after being rescued by the BC, the banks are turned over to the Sao Paulo and Rio governors. Is he right?

[Arida] There is no chance for the national Treasury to supply the financial resources needed to rescue these banks. It would make no sense for either the BC or the national Treasury to put resources into these banks in order to first restore their financial health and then return them to the state governments. The need for promoting the capitalization of these banks will be raised and, in accordance with the law, these institutions may again be turned over to the state governments if they are likely to normalize their situations. The law requires that a check be made of the accounts of these banks. To normalize the situation of these banks, the state governments may have to invest some capital in them. The decision on whether to supply this capital is a prerogative of each state government. As a majority shareholder, each state government has its priorities. The BC is only responsible for not having to issue currency to support state banks. If the state government is unwilling or unable to increase the capital of the bank, the law provides that—when the bank is in the red—the federal government may seize the state government's shares.

[Souza] Has the government made progress in its privatization program?

[Arida] Major progress was made early this year. The congressional approval of the law on franchising has created an institutional framework for the investment of private capital in utility services. Early this year we also changed the structure of the privatization program, which will now be conducted by a council of ministers led by the chief of the civilian household. Because this council will be directly subordinated to the president of the Republic, the privatization program has now become a government program in its entirety. The suspension of the privatization process for the petrochemical companies and Excelsa has been also been lifted. Privatization plays a key role in fiscal adjustment because it reduces the debt burden of the public sector.

[Souza] Is the Real Plan infallible?

[Arida] There is a curious difference between the written and the verbal history of stabilization processes. Decades after a historical event occurred, the written historical account would give the reader the impression that that process was inevitable, that it was meant to be that way, that it could not have happened in any other way, and that it went beyond the individual or collective desires prevailing at that time. Yet when one hears the accounts of those who participated in the events, one is bound to see an entirely different picture; that is, a situation filled with scares, fears, uncertainties, and insecurities. In all these cases, it took the people a long time to realize that the stabilization was irreversible.

[Souza] The only successful stabilization effort in the Brazilian economy was made in the 1960's, under an authoritarian regime. Brazil is now conducting its stabilization under democracy, and is running the risk of having elected officials who will work against the measures necessary to implement it.

[Arida] It is true that the 1964-1965 stabilization effort was successful. Yet it is also true that since the late 1960's inflation has taken an upward turn. Authoritarian governments thus had both successes and failures in their stabilization efforts. Democracy requires that stabilization be addressed as a task calling for alliances and negotiations which, in turn, would lead to a more mature society. As Jose Guilherme Melquior said in his excellent book, political freedom and social equality are bound to go hand in hand.

[Souza] Do you think that the economic team has lost significance now that the government has been formed?

[Arida] That is another mistake. Reports on disagreements have been coming and going almost every week for the past 18 months. Today we have a united administration that is determined to do everything and whatever that might become necessary to once and for all eradicate the scourge of inflation from the country.

[Souza] Does the government believe that, in light of the Mexican crisis, it will now have to be more careful in conducting its economic opening?

[Arida] There are topics, such as the antidumping legislation, that need to be improved. This type of mechanism is part of the trade policy of any country. The U.S. economy, which is one of the world's most open economies, has very strict antidumping laws. Yet the objective is to promote opening, both in the trade and financial sectors. Economic opening promotes competition and reduces costs.

[Souza] In your inauguration speech you emphasized your decision to deregulate the financial system. Why did you do that?

[Arida] There are excessive regulations today. The prevailing principle is that which is not explicitly permitted is forbidden. Furthermore, the large number of rules governing the financial market are, taken as a whole, inconsistent because they were issued in different times and in response to different concerns. The legislation must be simple and standardized in regulating the various financial instruments. Instead of protecting the targeted interest, excessive regulations will weaken it. This will be a difficult task that will require a change in mentality from both the BC and financial brokers.

Central Bank Allows Resumption of Advanced Export Payments

PY2501111695 Sao Paulo AGENCIA ESTADO in Portuguese 2004 GMT 24 Jan 95

[Report by Carlos Franco]

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[FBIS Translated Text] Brasilia. 24 Jan (AE)—Alkimar Moura, BC director for monetary policy, said that the Mexican crisis has made the Central Bank [BC] withdraw one more barrier to exports. Beginning 25 January, Brazilian exporters will be able to again receive advanced payment from importers for a minimum term of 360 days of deliveries. This will allow them to finance the production of merchandise that has been sold abroad. "It is a tentative solution to this new international situation," Moura said, referring to the Mexican crisis.

This measure is contained in Circular 2,538, published today, which made the rules for these foreign trade operations more flexible. The advanced payment is known as exports prepayment, and means that the importer pays the exporter for a product he will receive 360 days later.

The measure makes things easier, particularly for Brazilian exporters of agricultural products. These are the products that the market always prefers to use as guarantees, because their prices oscillate and their purchase in advance allows profit and commitment. Only large exporters and especially commodities companies can convince importers to pay for the products beforehand. The prepayment rule, however, can be used by all exporters.

On 19 October 1994 these operations were suspended when other credit restriction measures were implemented. Before that, on 30 June 1994, these operations had their 360-day minimum term extended to 720 days before the suspension. The objective of the decision was to prevent the admittance of dollars into the country, which would imply an issuance of reals and cause a possible increase in consumption.

Marcio Cartier, head of the BC Department of Foreign Capitals (Firce), said that this measure will represent the immediate admittance of $300 million into the country. This is the total of the requests that exporters would have presented for prepayment of their products since the date the BC limited these operations. According to Cartier, with these resources many entrepreneurs will be in a condition to finance their production, particularly those who enjoy international prestige, because the importer will be paying beforehand for a product he will not receive until 360 days later.

The BC director for monetary policy added that now that prices are stable and demand and supply are balanced, new measures for flexibility can be adopted as the national and international markets may call for them or allow them. Cartier, however, recalled that in the first two weeks in January the BC suspended the 15 percent compulsory tax previously levied on Advanced Exchange Contracts (ACC's). He also admitted that other measures could be implemented as well. The measure most anticipated by exporters is the one that will again extend to an average of 360 days the terms that were reduced to 90 days when the credit restrictions package was implemented. Cartier explained that the negative trade balances registered in November and December 1994 have influenced this decision.

Minister Suspends Issuance of 153 Radio, TV Licenses

PY2401162095 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Jan 95 p 3

[FBIS Translated Text] Brasilia—Communications Minister Sergio Motta yesterday canceled the processes for creating 153 new radio and television stations, which have been in the pipeline since 1986. Of these processes, 148 are for new radio stations and five for television stations. President Itamar Franco published 21 notices to this effect in December. Claiming a legal impediment, Motta declined to disclose the names of the companies that are bidding for these new stations. Motta canceled the processes in order to reformulate the guidelines, which have prevailed since the Sarney administration, for granting these licenses.

In an official statement, Motta said: "This decision reflects a new government policy. Instead of the minister submitting his choice to the president and the government using discretional powers, licenses will be granted from now on to the best qualified bidders."

Under the current law, which was enacted in 1963, companies interested in managing radio or television stations are required to undergo a qualification process. The cases are then submitted to the communications minister, who would choose the winners. The decision is made by the president of the Republic if the station is designed to reach the entire nation.

Because personal choices prevail in granting these licenses, government officials have used them to lure political allies. This was one of the main bargaining chips used by then President Jose Sarney to win his five-year term. Motta proposes that the public be allowed to participate in deciding these bids, and that rules be laid down to prevent the concentration of stations in the hands of a few.

Of the now suspended processes, 132 started between 1986 and 1990, when the issuance of new licenses was suspended. They consist of 80 FM stations, 44 medium wave stations, two tropical wave stations, one shortwave station, and five television stations. The 21 processes that started in December 1994 consist of 10 medium wave stations and 11 FM stations.

Church Leader Explains Catholic TV Network

PY2501122095 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jan 95 Section 1 p 4

[Interview with Luciano Mendes de Almeida, president of the National Conference of Brazilian Bishops, CNBB, by Nelson de Sa; place and date not given]

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[FBIS Translated Text] [De Sa] When the idea of a Catholic television network appeared some two years ago, it was opposed by church members themselves, such as Paulo Evaristo Arns. Did this opposition cause any modifications to the network project?

[Mendes de Almeida] I can say I have always been involved with this project, and it was a search for the most appropriate solution for Brazil. There are only a few nations that have Catholic television stations. The experiences of other countries therefore compelled us to think, to meditate, in order to find an appropriate formula.

The network does not belong to the CNBB, to Catholic institutions, or to church organizations. It belongs to Inbracc, the Brazilian Institute for Christian Communication, which was founded especially to promote social communication. The institute is run by 11 people, two of whom were invited—in their capacity as bishops—to be executive board members. The other members are laymen. One can therefore say that it is a network with Catholic inspiration, but not a network that will officially convey the voice and message of a Catholic institution.

[De Sa] In a document entitled "The Church and Ethics in Television," the CNBB complained about the "obscenity," the "vulgarity and indecency," the "licentiousness," and the "harmful programs" of "all private networks." Will this document also serve as a guideline for the television network's programs?

[Mendes de Almeida] None of us can ignore that television programs have lacked, let us say, ethical and moral values. This has affected everyone, but especially adolescents, and we are concerned about the formative development of their conscience. It is obvious that these thoughts cannot be ignored and will become criteria on which to base suitable programming.

[De Sa] Concerning programs, what do you think of television newscasts?

[Mendes de Almeida] Look, television newscasts are extremely popular, and have high ratings. A network willing to appear on the air should recognize this, and should also try to provide this service. This will obviously call for training, technique, and skills that are not always there at the beginning. Yet we do wish to have a national level newscast in our programs.

[De Sa] And how do you imagine a newscast from a Christian viewpoint?

[Mendes de Almeida] I imagine that first and foremost it should be faithful, a faithful picture of the situation, offering sometimes a topic for meditation, but relying heavily on viewers' opinions. In fact, when for example a violent action is reported, it is clear that the reaction will be one of rejection of that action. Yet if, on the other hand, a matter that is still under discussion is mentioned, it is clear that it is possible to help shape the criteria with which viewers will build their own position.

[De Sa] And what about the political direction of television newscasts?

[Mendes de Almeida] Concerning political positions, the line that the Church has followed is well known. It respects parties and individual positions, but with great faithfulness to what we would call the ethical requirements of politics.

[De Sa] In his book "Beyond the Threshold of Hope," Pope John Paul II advocates the use of the media for doing what he calls the "new evangelization." Does the operation of radio and television networks follow the pope's advice?

[Mendes de Almeida] The pope is experienced in this field, as he has always used updated evangelization methods. The media have been thoroughly used in his papal mission. In the first place, through publications. As far as I know, he is the pope who has published the largest number of encyclicals, letters, and thoughts. His voice has also been disseminated through so many media, through radio and television. That is his own personal experience.

As for what we are doing in Brazil, it is true that we are trying to follow the pope's example and leadership, but we were already at work before the pope advocated the use of the media. There are more than 140 operating radio stations and, obviously, a large number of newspapers and magazines whose purpose is to use the media for evangelization. The point now is to open a television network with Catholic inspiration.

[De Sa] Programming includes a mass in the morning and a mass early in the evening. What is the limit to that directly Catholic presence in programs?

[Mendes de Almeida] Programming is being studied, and proposals have been made to include directly liturgical and celebration programs. We are considering this from a fair viewpoint, but it should still be regarded within the context of the other options. Yet it is true that such programs can satisfy the wishes of those who have experienced hospital life, or who live in houses in which there are people who cannot attend liturgical ceremonies.

[De Sa] What do you think of the religious programming of the Record station, especially the exorcising rituals Monday through Friday?

[Mendes de Almeida] I lead a very busy life. I do not even have 15 minutes a week to watch television. I would therefore make a very bad analyst.

[De Sa] There have been many comments that the Catholic network project is a reaction to Record, which is linked with the evangelical church. What do you think of that?

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[Mendes de Almeida] I accept this as a natural question, but the Rede Vida project had already been considered before, from other viewpoints and based on other suggestions. We have always wanted to have a space in the media for people to express their faith and, especially, to offer topics for meditation to people. The new factor is that Mr. Joao Monteiro's group, which won the franchise for the channel, has opened up a broader alternative, placing the entire network at the service of the family and with Catholic inspiration.

Yet I would like to reiterate that the Inbracc group does not intend to operate a network that airs religious programs exclusively. The network will also be open—understanding pluralism—to all the values that are really consistent with human dignity. And it will also offer, in the proper amount, Christian values and Catholic messages for many people who are anxious to see this new programming.

[De Sa] Rede Vida could become competition for commercial networks like Globo and SBT [Bandeirantes Television System], which have programs linked with the Catholic Church.

[Mendes de Almeida] Our objective is to join efforts. It is not a matter of replacing or engaging in competition, but of offering more opportunities, especially for those who belong to the Catholic Church, to have more space on the air and a greater diversity of programs. Programs will not be used, for example, only to transmit teachings; there will also be other initiatives, adapted to children, youths, and couples, because the Brazilian family is the network's priority objective.

[De Sa] In Sao Paulo the signal will be transmitted through UHF, which has traditionally had a low rating. How do you think this difficulty can be overcome?

[Mendes de Almeida] We have quite objectively admitted that ratings are conquered progressively. The example of Portuguese television shows that good ratings were obtained in a period that was much shorter than expected. This calls not only for skill but also for good quality in programs and image and, above all, for the capacity to really attract viewers.

Operation Rio Viewed as Warning to Criminals

PY2501003895 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Jan 95 p 8

[Editorial: "A Message to Criminals"]

[FBIS Translated Text] The president and the governor of Rio de Janeiro have extended for two months the agreement with the Eastern Military Command. This action was expected, because during his electoral campaign, candidate Marcelo Alencar advocated the Armed Forces' cooperation in the fight against organized crime.

Yet, whether expected or unexpected, the people like the current status quo, in which it is possible to calmly walk along the streets and also sleep at night with tranquillity, without the prospect of holdups, shootouts, abductions, and stray bullets. The first great result of Operation Rio, as General Euclimar da Silva—the new Operation Rio coordinator—put it, is, above all, to show that the law is valid in all parts of Brazilian territory.

In fact, over the past 20 years, criminals have hidden in the ghettos (no man's land) because the authorities disregarded their function of providing security to the population. The development of drug trafficking, bringing international know-how and a lot of money, aggravated Rio de Janeiro's security problems to such an extent that it was necessary to take strong action to check abuses.

The police, corrupted and out of control, had no chance at all to fulfill their duties. They did not go to the ghettos, just as (quoting General Euclimar) sanitary specialists, professors, physicians, and social workers did not go. The territory was free for the gangs that so far, unlike the animal lottery gangs, have not become organized into a cartel.

Groups of criminals engaged in shootouts as if the Rio de Janeiro hills were the Colombia experiencing the good times at the height of the Medellin cartel's influence. Traffickers rebuilt the war of animal lottery gangs in the 1970's, when there were shootouts over control of selling posts almost every day, especially in the vicinity of Praca Maua. This occurred until the illegal lottery organized itself into a mafia under the leadership of the main bosses, who also accepted the leadership of Castor de Andrade, the boss of bosses.

Rivalries between lower-level traffickers have not yet been resolved, giving rise to confrontation in ghettos and even between ghettos, in wild action that has spread to adjacent neighborhoods. It is a true empire of disorder, which the Rio de Janeiro government has been unable to dismantle because of its lack of authority and political will to rectify the conduct of the police and ensure that they are once again on the true course of fighting organized crime.

Myths like those of the Red Command developed because of the lack of police authority. The Red Command is the deceptive facade of criminal anarchy. The myth exists because police have never gone to the hills to check it. Today, with Operation Rio, the people and the state government know that going to the hills is not sufficient; it is necessary to stay there, and to provide in addition a package of social benefits.

The reeducation in the Rio hills should be carried out simultaneously with the reeducation of the police. Police presence—a helpful and not a hostile police presence, for genuine protection and not for promoting violence—will naturally produce a decline in the number of holdups, chronic ailments, and massacres. Only then will the presence of soldiers no longer be necessary.

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The renewal of the agreement has, on the one hand, served to calm the people. On the other, it is a message to criminals: The law exists, and it should be obeyed.

Maranhao State Land Demarcation Causes Conflict

PY2501114995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jan 95 Section 1 p 8

[Article by Cris Gutkoski in Maranhao]

[FBIS Translated Text] Two small towns in Maranhao State have been living in a state of war since December, when the demarcation of the indigenous lands of the Krikatis in Montes Altos (694 km from Sao Luis), and of the Guajas in Bom Jardim (275 km from Sao Luis), was suspended.

Local politicians, farmers, entrepreneurs, homesteaders, and small farmers have been protesting the demarcations and putting at risk the lives of the Indians, members of Funai (National Indian Foundation), priests, and demarcation professionals.

Fernando Goncalves de Melo, 39, director of the company Divisa Topografica e Planejamento Ltda, asserted: "Our lives have been threatened."

His company won the bidding for the demarcation of the Guaja area, but had to stop working six days after work had begun.

Last week, confusion regarding what land belongs to the Indians and what land belongs to the farmers who are established in the villages resulted in the death of Guajajara Indian Manoel Mendes, 46.

He was shot in the head—allegedly by a homesteader—as he was walking to his vegetable lot inside the Krikati [as published] village. The Indians are promising to take revenge, and were carrying machetes and revolvers the day Mendes was buried in the village.

Each demarcation costs 170,000 reals [R], which will be paid by Funai with resources supplied by the World Bank.

Federal policemen hired to protect the demarcation workers abandoned the villages at the end of December because of the protests, and because they were not receiving their R51 daily payment.

Convinced that there will be conflict at any minute, Krikati leader Jose Torino said: "Funai is afraid."

Farmers and peasants do not agree on the size established for each village, and are willing to fight for the land they have inside the areas that, according to Justice Ministry regulations issued in 1992, belong to the Indians.

Farmer Francisco Feitosa Fernandes, 45, who has five children, complained: "The government cannot be that unfair to the destitute."

He claims to own 120 hectares in the Guaja area. He asserted: "If I lose this land I might just as well lose my life."

The size of the villages is another reason for protest. After the Krikatis' land is demarcated, the county of Montes Altos will be reduced to half its current size.

According to the directors of the company in charge of demarcating the land, the work will be resumed only if Funai and the federal government ensure them police protection.

The presence of police forces, however, could worsen the conflict even further. Colonel Joao Ribeiro da Silva Jr, 60, father-in-law of the Montes Altos mayor and her chief of staff, said: "The minister who orders the demarcation work to continue will be responsible for the blood that will be shed."

Chile

Canadian Prime Minister Arrives; To Seek Strengthened Ties

PY2501024095 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 25 Jan 95

[FBIS Translated Text] Canadian Prime Minister Jean Chretien arrived in Santiago this evening.

The purpose of the Canadian minister's visit is to meet with Chilean authorities to strengthen bilateral relations between the two countries.

The official Canadian delegation was welcomed at the Pudahuel Airport by Chilean Foreign Minister Jose Miguel Insulza. At the entrance of the airport they were met by representatives of labor and environmentalist organizations who believe that the purpose of the Canadian minister's visit is to excert pressure on Chile to join NAFTA. They have also stated that the visit and negotiations entail the possibility of building a Canadian nuclear plant in northern Chile.

Colombia

U.S. Drug Strategy Outlined

PA2401191195 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Jan 95

[Report by Diego Suarez from the "National Newscast]

[FBIS Translated Text] The growing of marijuana, coca, and poppy plants must end in Colombia. This demand is included in a document entitled "The White House Drug Strategy." In the document, the U.S. Government announces that it will exert direct pressure upon the Governments of Colombia, Bolivia, and Peru to eradicate illegal plantations.

The goal set for Colombia, which it must achieve before 1997, is to eradicate 50,000 hectares of these crops,

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which is equivalent to erasing from the map all illegal coca, marijuana, and poppy plantations that currently exist in Colombia, estimated to cover 55,000 hectares. That is not all the document states. Colombia is also obligated to maintain a quota of drug seizures and captures of drug traffickers. The goals will be verified by the State Department each year.

The worst part is that if all this is not done in two years, Colombia will not receive U.S. Government certification for loans and direct aid. Trade sanctions will be applied and the nation's image will be harmed.

The visit of high-ranking officials in the Colombian Government to the United States is to render accounts regarding achievements in the eradication of plantations and advances in legal cooperation.

In February the Colombian Government must present a report on the seizure of drugs in Colombia.

Government Team in U.S. To Discuss Coca Eradication

PA2501050095 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 25 Jan 95

[From the "24 Hours Newscast"]

[FBIS Translated Text] The presence of Prosecutor General Valdivieso, Justice Minister Nestor Humberto Martinez, and Police Director General Rozo Jose Serrano in the United States has the sole objective of negotiating an agreement between the two countries to eradicate coca, marijuana, and poppy crops within two years.

Colombia must destroy these crops through various methods, including sprayings, and the U.S. will maintain economic aid. A report on this commitment should become available at the conclusion of the official visit by the three high-ranking officials.

[Begin Valdivieso recording] We will evaluate all relevant aspects of cooperation. [end recording]

This week the Colombian police assured that the eradication of coca and poppy is progressing.

Ecuador

Private Consortiums Authorized To Distribute Fuel

PA2401231795 Hamburg DPA in Spanish 1753 GMT 23 Jan 95

[FBIS Translated Text] Quito, 23 Jan (DPA)—A fourth of a century after establishing a state monopoly in the marketing of all oil by-products, Ecuador today authorized the participation of five private consortiums, including four foreign ones, in the distribution of fuels.

The free marketing of fuels, which is subject only to market laws, will begin 28 January, thereby ending the monopoly maintained by Petroecuador [Ecuadoran State Petroleum Enterprise], a state company frequently accused of inefficiency.

Petroecuador will continue, however, to participate in the direct sale of fuels as a "stabilizing agent" in order to avoid the possible "formation of cartels" by the private consortiums, which could reach agreements to fix prices in violation of the principles of free competition.

The entire petroleum industry, from oil drilling to retail sales, is in the hands of the state.

Ecuador produces 340,000 barrels of oil per day, two-thirds of which is exported, bringing in 40 percent of its foreign exchange.

Fuel prices are still set by the government according to its fiscal needs, a point which leads to street protests every time increases are announced. Added to this point are the frequent fuel shortages caused by the strikes and stoppages staged by Petroecuador's labor unions.

According to Alejandro Penafiel, president of the Ecuadoran Tripetrol Company, which participates in the distribution of fuels, with the demonopolization "there will be a great winner, the consumer, who will benefit in four areas: prices, quality, quantity, and service."

Paraguay

Wasmosy To Visit Europe, Asia by May

PY2501102095 Asuncion ABC COLOR in Spanish 23 Jan 95 p 4

[FBIS Translated Text] President Juan Carlos Wasmosy is preparing for a long tour of European and Asian nations and countries of the Americas that will start on 26 January, when he will depart for Davos, Switzerland to participate in the economic summit on poverty and development. In February, March, and April the president is planning to visit Chile, Italy, Uruguay, Denmark, Romania, Hungary, South Korea, and Taiwan.

On 26 January Wasmosy will travel to Sao Paulo, Brazil, on a private flight. In Sao Paulo the president will take a regular Varig flight to Zurich, Switzerland, where he is scheduled to arrive on 27 January. The president will then travel to Davos to participate in the economic summit.

According to the report, the president was designated key speaker in a debate on Mercosur [Common Market of the South] and Paraguayan reality. Wasmosy will be assisted by Argentine Economy Minister Domingo Cavallo, the Brazilian planning minister, and the Mexican commerce minister.

The government considers this summit to be enormously important because, according to references, it is the most important forum on economic matters at the present time, gathering the most influential and powerful world personalities on the subject.

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The report says that a small entourage will accompany the president, and so far only Foreign Minister Luis Maria Ramirez Boettner is confirmed. It is not ruled out that the list will also include Carlos Mersan Galli, presidential adviser on economic matters. Wasmosy is scheduled to return to the country on 31 January.

Other Trips

The presidential agenda includes a visit to Chile on 13 and 14 February and a trip to the Vatican to meet with Pope John Paul between 16 and 19 February.

On 1 March Wasmosy will participate in Julio Maria Sanguinetti's inauguration in Uruguay.

On 11 and 12 March the president will participate in a summit on social development in Denmark. On 13 and 14 March he will travel to Romania. On 15 and 16 March Wasmosy will visit Hungary, and in April the president plans to visit Korea and Taiwan.

Guyana

Parliament Ratifies Convention Establishing ACS

FL2401012695 Bridgetown CANA in English 1909 GMT 23 Jan 95

[FBIS Transcribed Text] Georgetown, Guyana, Jan 23, CANA—A senior official at Guyana Ministry of Foreign Affairs has hailed Parliament's ratification of the convention establishing the Association of Caribbean States (ACS) as underscoring Guyana's commitment to the Caribbean Community (Caricom) and to "wider hemispheric relations." The motion for ratification of the convention, signed by this country in Cartegena de Indias, Colombia in July last year, was moved last Friday by Foreign Affairs Minister Clement Rohee and supported by all the opposition parties in the 65-seat Parliament.

"There has always been an overwhelming sense in Guyana of support of the government's efforts to address its hemspheric destiny while at the same time addressing its Caricom destiny," Foreign Affairs spokesman Arnon Adams told CANA Monday. "One has to hope now that the ACS serves the hemisphere with the same sense of faithfulness and efffectiveness with which Caricom has served the region," the spokesman said. He added that Guyana looks forward to making a meaningful contribution to the strengthening of the ACS.

During Friday's debate on the motion, minister Rohee sought to put to rest fears by the opposition People's National Congress (PNC), Working People's Alliance (WPA), and The United Force (TUF) that the regional grouping would be marginalised by the new hemispheric body.

"The establishment of the ACS will in no way be a threat to the existence of Caricom," he said.

The main opposition PNC's spokesperson on foreign affairs Clarissa Riehl emphasized the need for deepening the regional grouping so as to make it work effectively with the newly established ACS. She said the ACS should not be used as a reason for this country to pull away from Caricom.

"I hope that the Caricom grouping remains a solid grouping and speaks with one voice, a strong voice, in this ACS grouping," Riehl said.

President Cheddi Jagan, during a press conference late last year, had stressed that even though Guyana has every intention of developing closer links with its continental neighbours and other South American states, it will not do this at the expense of its "vital relations with other Caricom states."

The ACS, whose headquarters will be in Trinidad, now comprises 11 Caricom countries and 13 non-Caricom states. The proposal to form the ACS was discussed at a Caricom special summit in 1992. At that meeting, the heads agreed to accept the recommendations of the West Indian Commission then headed by Guyanese Sir Shridath Ramphal, to proceed with the idea of the ACS.

Environmental Agency Debate Includes Churches, Investors

FL2301171195 Bridgetown CANA in English 1456 GMT 23 Jan 95

[FBIS Transcribed Text] Georgetown, Guyana, Jan. 23, CANA—Following is the text of the editorial in the STABROEK NEWS newspaper:

"The environmental affairs of the country since the advent of the PPP[People's Progressive Party]/Civic government remain largely a mystery. The National Environment Action Plan was presented last year to the National Assembly but beyond that the silence of the government on environment matters has been louder.

It was not that the predecessor government basked in the glow of a more encouraging record on the environment. It didn't have an encouraging record.

However, there was an agency—the Guyana Agency for Health Sciences Education, Environment and Food Policy (GAHEF) to which one could address complaints and make queries on matters and these would be addressed by Dr. Chin (now in the private sector).

When this government came to power, GAHEF was dismembered. It was not an unreasonable move. GAHEF had represented an uncomfortable mix of responsibilities that did not get well [as received] and which inhibited effective control and oversight of those areas. Since then, there has been a virtual suspension of action. There is still some dispute, despite being broken up, over whether GAHEF exists or not.

The government had set up an environment unit within the Office of the President headed by Dr. Lakeram

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Chatterpaul. It was envisaged that this unit would grow and take on a life of its own. It is however suspended in an inanimate twilight without the underpinnings of legislation and without the lifeblood of facilities and staff.

It is uncanny, but several pieces of legislation, the bill to establish the proposed Environmental Protection Agency and the laws that mandate impact assessment studies for every development activity, are still in gestation despite the fact that drafts for such legislation were left by the previous administration.

Observers have expressed the view that the sloth in setting the process in train for a strong and competent environment agency is due to concerns that prospective investors would be deterred from ploughing risk capital into the country if they were slapped with rigid environmental guidelines that had to be met.

That, however, will not do. Guyana is not a horror story of environmental catastrophes erupting from day to day. The potential is, nevertheless there for things to go horribly wrong, and it is for this reason that a strong, vigilant body is needed.

With operations such as bauxite, gold and diamond mining and their attendant techniques and significant agricultural activities, there are myriad responsibilities which an active environmental agency can assume.

The government must give clear thought to this matter and make certain that responsibility for the gamut of environmental and conservation issues be ensconced rapidly in such an agency, and that it is accorded the necessary facilities and anchored by legislation.

An agency with the vigor and zeal of the present Standards Bureau would be an auspicious start."

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